CHAPTER-1
INTRODUCTION AND DESIGN OF THE STUDY

1.1-INTRODUCTION:

Retailing in India is gradually inching its way towards becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. Modern retail has arrived in India, as evidenced by sprawling shopping malls, multi-story malls, and massive complexes that combine shopping, entertainment, and food under one roof. The Indian retailing sector is at an inflexion point where the growth of organised retail and growth in consumption by the Indian population is going to take a higher growth trajectory. The Indian population is witnessing a significant change in its demographics. A large young working population with a median age of 24 years, nuclear families in urban areas, along with an increasing working-woman population and emerging opportunities in the services sector, are going to be the key growth drivers of the organised retail sector in India.

It was argued that the best period for retail in India would be between 2009 and 2013, when the retail industry had expanded and consolidation would set in with most of the top global retailers having a presence in India. also argued that the Indian market is unlike the US, where the market is already saturated. Hence, if retailers play their cards right, they can get customers, make profits, and everyone concerned in the entire...
value chain can grow by leaps and bounds. Industry experts also highlighted that organised retail in India is booming and currently, India is the fourth largest economy, and the time has just begun for organised retail in India. Though the global economy is witnessing a slowdown, the Indian economy is set to grow at 7.5% p.a. driving higher consumption and, consequently, the retail industry.

On a global platform, organised retail captures about 52% of total retail sales, with developed nations like the US, UK, Germany, and France constituting 80% or more of total retail sales. Organized retail is set to grow by 40% hereon to touch US $70 billion and capture around 10.3% of the total Indian retail industry market share by the end of 2011. Thus, there is a lot of room for the Indian organised retail segment to grow. Moreover, the presence of the global players will not impact the domestic players too much as the size of the retail industry is set to grow.

It is sometimes said that success is the result of a good plan well executed. For a retailer, plans are mostly formulated at corporate headquarters and executed in their stores. Corporate planning functions include choosing the assortment of products to carry in each store at each point in time, setting store inventory levels and product prices, setting staffing levels, determining how many stores to have and where they are located and creating the physical design of stores and planograms that specify the location of all products within each store. A retail store is an interesting amalgam of a factory and a sales office and store employees are responsible for a wide range of execution tasks that collectively determine the success of corporate plans. Factory related store execution tasks include receiving product, moving product from the back room to shelves as needed, putting items moved by a customer back to where they belong on the shelf and checking customers out. Fisher (2004) notes similarities between the execution tasks of a retail store and an automobile assembly plant, and suggests drawing on the Toyota Production System as a source of ideas for improving retail store execution. Sales office store execution tasks include all interactions with customers, such as greeting them, asking if they need help, and when requested, providing advice to enable them make a purchase decision and to find the products they have decided to buy.

Academic research to date has focused almost exclusively on planning functions. For example, the operations management literature includes numerous papers on inventory optimization that are applicable to setting planned inventory levels in a retail store. Recently, however, a few pioneering papers (Raman et al. 2001a, 2001b, DeHoratius and Raman 2003, Ton and Raman 2004, Corsten and Gruen 2003, Ton and Huckman 2005, Van Donselaar et al. 2006) have provided evidence of deficiencies in retail store execution, suggesting that optimized plans might be severely blunted by less than perfect execution. Although these papers have focused mostly on missing inventory, inventory record inaccuracy and inventory replenishment, it is reasonable to suspect that, given the high level of problems with inventories, other aspects of retail execution are imperfect also. Interestingly, for many years, retailers have been administering surveys to their customers to measure both their overall level of satisfaction and their opinion of various details of their store experience. Many of the detailed questions relate to store execution. For example, ‘Did you find what you were looking for?’ is a commonly asked question directly related to the missing inventory issue noted above. It is thus natural to consider using this data to better understand issues related to store execution, including what factors influence the quality of execution and what is the impact of execution on output variables of interest to the retailer, such as sales and overall customer satisfaction. This paper reports an
Effort to do this using proprietary data obtained from a large retail chain with over 500 stores. The data is tracked monthly at the store level for a 17 month period and is comprised of financial store performance data, including sales, number of transactions and number of units sold, operational data, such as payroll, employee turnover, and in-stock levels, and the results of ongoing customer satisfaction surveys that use a variety of questions to measure for a particular store visit a customer’s overall satisfaction as well as their perception of various aspects of their experience that may have influenced their overall satisfaction. Because we were interested in assessing the impact of the detailed variables on sales, satisfaction and customer perceived in-stock, we first transformed the data to attempt to remove spurious sources of correlation. For example, most variables were impacted by time, via trend and seasonality, and hence might be correlated with each other because of this common correlation with time, but this type of correlation was not of interest to us. We thus applied a data transformation procedure that removes seasonality, de-trends the data to control for store openings and economic trends, removes forward-looking components from the data by accounting for managerial decisions that are based on the sales forecast, controls for autoregressive properties and standardizes the data to control for store heterogeneity. We then pooled this data panel and analyzed it using a nested three-stage model that explains the direct and indirect drivers of sales, overall customer satisfaction, and customer perceived product availability. Our model explains approximately 75%, 97% and 71% of transformed data’s variations in, respectively, sales, overall customer satisfaction, and customer perceived product availability. We find that customer perceived in-stock is primarily driven by actual in-stock and customer rating of employee knowledge; overall customer satisfaction is primarily driven by customer perceived in-stock, payroll level, customer rating of employee knowledge and check-out efficiency; and sales is primarily driven by actual in-stock, overall satisfaction and payroll level. We observe that stores within the chain vary greatly in their responsiveness to changes in controllable variables. For example, we find that increasing associate payroll by $1 at a given store is associated with a sales lift of anywhere from $4 to $28, depending on the current level of payroll relative to store sales. The implication of this finding on retail performance is quite dramatic. We show that a modest reallocation of payroll from stores with low sales lift to stores with high sales lift could be expected to yield a 2.6% sales lift at no additional cost, a level of sales increase that is large relative to year to year changes in sales for mature stores. The primary contribution of this paper is a methodology to help a retailer identify action steps that can increase sales, customer satisfaction and store execution. Although we designed this methodology to fit the specific data set that was available to us, we believe that it can be adapted to match the needs of other retailers. Our second contribution is to suggest, based on one retailer, findings about store execution that might apply to other retailers. While our findings are based on a data set whose extensiveness and richness are rarely, if ever, found in the literature, given that this data comes from a single retailer, we are uncertain of the extent to which our findings about drivers of sales and satisfaction would hold true for other retailers. We hope this study will stimulate additional research with other retailers, so as to identify common factors driving excellent execution. The remainder of this paper is organized as follows. Section 2 surveys relevant literature, Section 3 describes our data set, Section 4 presents the transformation we performed on data prior to analysis and Section 5 describes our analysis and the resulting model. In section 6 we discuss our technical findings and in Section 7 we describe some managerial implications of our results.

The preferences of the consumers are a positive motivation, expressed by the affective compatibility towards a product, service or trading form. We’re not dealing with an internal bodily function, but a quality of objects that aims to fulfill our needs, quality acquired within the connection between man and the
merchandise able to fulfill these needs. Preferences can be triggered by: the features related to the material
substance of the goods (shape, size, print, taste, colour, consistency, package, etc.); elements referring to
label, name, use instructions that accompany the product; the statute granted to the person owning and
using that particular product1. Theoreticians, at some point, had the tendency to limit the preference to the
concept of choice; however choice and preference are two radically different entities: the first one is an
action and the other one, a state of mind2. Preferences are the result of a long-term relationship between
the brand and the consumer, as the latter learns to associate the brand with a symbol and perceive it as
having high quality. Following these deep connections created over the course of time, a strong emotion is
developed which lies on the basis of preferences, remaining present even in the absence of the friendly
symbol or of any other component feature. Although a hardly comprehensible concept, it has been
demonstrated that the consumers’ preference can be measured effectively, and that their study can provide
a more thorough understanding on the choices consumers make, when they decide to select a particular
offerer as against the other, or even when they decide to continue the relationship with the offerer in time.
Additionally, conducted studies have established various concepts related to the preference, such as the
concept of the formed preference which underlines the idea that the consumers’ preferences are not better
defined, but rather formed along the process of choosing, a constructive point of view which suggests that
different tasks and contexts highlight different aspects of the options, the consumer concentrating on
different considerations leading to inconsistent decisions3. Knowledge of consumer preferences is especially
important with respect to the various activities carried out at the organizational level, necessary for its
survival. For instance, if an entrepreneur must determine what features must have the product he wants to
create, he will interview more potential buyers, asking them to mention the level of preference for each
separate feature. The consumer preferences and behavior represent the basis of the pretesting models for
the new products (ASSESSOR, COMP, DEMON, NEWS, SPRINTER), which implies determining the functional
relationships between the buyer’s opinion concerning a product, testing it and the purchase behavior. The
level of preferences is one of the variables that need to be taken into account when identifying the strong
and weak points of the competitors. By measuring the consumer preferences before and after carrying out an
advertising campaign, the transmitter may evaluate its success or failure4. The preferences towards certain
products or brands may constitute the theme of a survey supplying information concerning the relative non-
consumers, since attracting these represents an important means of increasing the sales volume up to the
maximum limits of market potential. The companies constantly increasing the level of reminding and of
preference shall attain an.

Inevitable increase in market share and profitability. The size of profits is less important than managing to
consolidate consumer preferences towards its products1. More frequent are the situations that emphasize
the necessity of knowing this dimension of the consumers’ behaviour. After determining consumer
preferences towards a brand, the producer may take the following measures, with a view to increase
preferences for that brand: change the product; change beliefs concerning the brand; change beliefs
concerning the competing brands; change the importance of features; attract attention towards neglected
features; change the consumers’ ideals. In addition, in order to attract consumers’ preferences towards their
own brands, producers and retailers may chose the option of “renting” those brands having won the
preferences of consumers (names or symbols previously created by other producers, names of celebrities,
names of movie characters etc.)

One of the major developments that have taken place after liberalization was the entry of organized retail
stores in different parts of India. This is well supported by researchers and journals, who pointed out that the
size of organized retail in India remained at 3% and there is enormous scope for improving the share of organized retail in the market. The country witnessed the entry of a number of big retail stores, established by some of the leading Indian industrial houses like Reliance and Tatas, though the stores like Nilgiris and Spencers were in existence for a longer duration much before the liberalization era. The change in the retail scenario did offer an alternative experience to the Indian consumers, but a sizeable migration of consumers from the old traditional stores did not happen. A major reason is that the new form of retail stores confined themselves only to metropolitan cities and urban centers. Even in such urban locations, the response from the consumers has not been very cheerful. This is amply proved by the continued existence of the traditional stores with good business volume. However, what has been the experience of the consumers who are favouring the new format is a question to be probed. Further the consumers who patronize the organized retail and for what reasons they prefer the new form of retail trade are to be examined, as this will determine the growth prospects of the new form of retail trade.

Retail is the sale of goods and services to consumers, in contrast to wholesaling, which is sale to business or institutional customers. A retailer purchases goods in large quantities from manufacturers, directly or through a wholesaler, and then sells in smaller quantities to consumers for a profit. Retailers are the final link in the supply chain from producers to consumers. Shopping generally refers to the act of buying products. Sometimes this is done to obtain final goods, including necessities such as food and clothing; sometimes it takes place as a recreational activity. Recreational shopping often involves window shopping and browsing: it does not always result in a purchase.

Retail markets and shops have a very ancient history, dating back to antiquity. Some of the earliest retailers were itinerant peddlers. Over the centuries, retail shops were transformed from little more than "rude booths" to the sophisticated shopping malls of the modern era. Most modern retailers typically make a variety of strategic level decisions including the type of store, the market to be served, the optimal product assortment, customer service, supporting services and the store's overall market positioning. Once the strategic retail plan is in place, retailers devise the retail mix which includes product, price, place, promotion, personnel, and presentation. In the digital age, an increasing number of retailers are seeking to reach broader markets by selling through multiple channels, including both bricks and mortar and online retailing. Digital technologies are also changing the way that consumers pay for goods and services. Retailing support services may also include the provision of credit, delivery services, advisory services, stylist services and a range of other supporting services.

Retail shops occur in a diverse range of types and in many different contexts – from strip shopping centres in residential streets through to large, indoor shopping malls. Shopping streets may restrict traffic to pedestrians only. Sometimes a shopping street has a partial or full roof to create a more comfortable shopping environment – protecting customers from various types of weather conditions such as extreme temperatures, winds or precipitation. Forms of non-shop retailing include online retailing (a type of electronic-commerce used for business-to-consumer (B2C) transactions) and mail order.

Liberalized financial and political environment in India has prompted a wave of large number of entrants into the country’s rapidly growing retail industry during the past few years, without doubt, the retail industry in India is in the throes of radical restructuring. The fundamental drivers of change are increasing per capita income, growing GDP, availability of consumer finance and therefore irreversible. Retailing in general sense consists of business activities that are involved in buying and selling of goods and services to ultimate consumers for their own use – ranging from Bread butter to automobiles to apparels to airline tickets. In
India, after agriculture, the retail is the second largest sector that provides enough employment to Indian workforce. But retailing in India is at cross roads on the one side, retail sales are making new heights year after year and on the other side, traditional Indian retailers (Kirana stores) face numerous challenges.

The consumer’s behaviour is not an easy task at all, and even less simple is observing only one aspect of this behaviour, like in the present case, the consumers’ preference for a certain product, label or organisation. Along the research consumers may express their needs and desires and still may act in a totally opposite way; at times, it’s possible that they aren’t even aware of the true motivations behind their buying behavior, or they could react to factors determining last minute changes to their buying decision. Although the consumer decisions are relatively easy to notice and quantify, the psycho-physiological processes behind them are very difficult to take into account. Research related to consumer behavior looks upon its different dimensions and their relationship. The final aim of these investigations is to foresee and channel the future reactions of the demand agents, for a precise correlation between demand and supply. In this respect, all dimensions that lead to the manifestation of a certain behaviour must be studied and understood. Each of the dimensions of the consumers’ behaviour we want to focus on within a marketing research imprints on it with certain specificity, a special way of approach. Therefore, the features of the consumers’ preferences mark the conducted studies with certain specific features in this sense, which we must take into consideration when elaborating and conducting these studies, in view of observing the essence of this dimension of the consumers’ behaviour.

Consumer preference refers to the tendency to like or favor something over other alternatives. If you buy an iPhone instead of Galaxy Smartphones, you have a preference for the iPhone. In this case, preferences are a reflection of customer loyalty, brand strength, and successful marketing tactics.

In economics, consumer preferences are linked to how consumers buy goods and services. Individual preferences can be built into utility functions of various bundles of products. Consumers rank the bundle of goods according to the level of utility. Changes in preferences affect the level of demand for various goods. Knowing and understanding customer preferences is vital for marketing success. Companies should anticipate customer needs or adapt existing products to build stronger experiences. That way, they can sell more profitably.

Consumer preferences can change due to changes in fashion, habits, and other factors. For this reason, companies can build consumer preferences by combining various elements of the marketing mix.

The retail industry secures the fifth position as an industry and is the second largest employer after agriculture, providing bright and exciting job opportunities in India. Retail business is undergoing rapid transformation in its marketing practices. Till a few years ago, we bought most of the daily use products from small shops in our neighbourhood or a nearby market. Generally, the shopkeepers sell goods—either individually as a sole proprietor or with the help of a few assistants. In the last few years, however, the concept of large departmental stores and malls has come up, which also provide the same products. Today, supermarkets, departmental stores, hypermarkets, malls and non-store retailing like multilevel marketing and telemarketing, have replaced or co-exist, transacting with the traditional retail businesspersons, such as hawkers, grocers and vendors, etc. There are various levels at which retail businesses operate—ranging from small, owner-operated and independent shops to those in the national and international market. An increase in income levels and the need for new products and services, a rise in standard of living, competition in the
market and increasing consumption patterns of customers have contributed to the demand for creation of these type of stores.

This unit will focus on various aspects of retailing. The first session covers the basics of retailing, the second session deals with organized and unorganized retailing, the third explains store retailing and non-store retailing, and the fourth session discusses the duties of a retail cashier and also discusses the Indian and global retailer.

Beyond the distinctions in the products they provide, there are structural differences among retailers that influence their strategies and results. One of the reasons the retail industry is so large and powerful is its diversity. For example, stores vary in size, in the kinds of services that are provided, in the assortment of merchandise they carry, and in their ownership and management structures. The U.S. Census Bureau indicates that 94.5 percent of retail companies have only one location or store.[1] More than one million retail businesses in the U.S. have fewer than one hundred employees. Most retail outlets are small and have weekly sales of just a few hundred dollars. A few are extremely large, having sales of $500,000 or more on a single day. In fact, on special sale days, some stores exceed $1 million in sales. This diversity in size and earnings is reflected in the range of different ownership and management structures.

Retailing covers those business activities which are involved in selling goods and services to consumers for their personal, family, or household use. While retailing can be defined as including every sale to the final consumer which could range from cars to apparel to meals at restaurants, we normally concentrate on those businesses that sell "merchandise generally without transformation, while rendering services incidental to the sale of merchandise. Today, retailing is at an interesting crossroads. As we know retail sales are at their highest point in history such as Wal-Mart is now the leading company in the world in terms of sales ahead of ExxonMobil, General Motors, and other manufacturing giants. New technologies are improving retail productivity. There are lots of opportunities to start a new retail business—or work for an existing one—and to become a franchisee. Global retailing possibilities abound. But at the same time, retailers face numerous challenges. Many consumers are tired of shopping or do not have much time for it. Some locales have too many stores, and retailers often spur one another into frequent price cutting and ultimately, low profit margins. Customer service expectations are high at a time when more retailers offer self-service and automated systems. In this unit, we shall be discussing about the concepts and philosophy behind retailing. We will also learn about its evolution and growth of retailing in India.

Retail is the final stage of any economic activity. Any organization selling to final consumers whether it is a manufacturer; wholesaler or retailer, is doing retailing. The retailing concept is fairly easy to adopt. It means communicating with shoppers and viewing their desires as critical to the firm's success, having a consistent strategy like offering designer brands, plentiful sales personnel, attractive displays, and above average prices in an upscale store, offering prices perceived as "fair" by customers, and working to achieve meaningful, specific, and reachable goals. However, the retailing concept is only a strategic guide. It does not deal with a firm's internal capabilities or competitive advantages but offers a broad planning framework.

Retailing is a convenient, convincing and comfortable method of selling goods and services. Retailing, though as old as business, trade and commerce has now taken new forms and shapes due to use of advanced technology, management and marketing techniques and also due to ever changing and dynamic consumer psychology. Retailing is one area of the broader term, e-commerce. With more number of educated and literate consumers entering the economy and market, the need for reading the pulse of the consumers has
become very essential. The word "retailing" is derived from the French word 'refaillier, meaning to cut a piece off or 'to break bulk'. In simple terms, it implies a first-hand transaction with the customer. Definition:

Retailing can be defined as the buying and selling of goods and services. It can also be defined as the timely delivery of goods and services demanded by consumers at prices that are competitive and affordable. Retailing comprises of a direct interface with the customer and the coordination of business activities from end to end right from the concept or design stage of a product or offering, to its delivery and post-delivery service to the customer.

1.2: OBJECTIVES OF THE STUDY:

1. To examine the factors which influence the customer to purchase from an organized retail stores.

2. To analyze the consumers preference and expectation in retail stores.

3. To analyze the factors influencing to utilise the retail stores by the consumer, and to ascertain their level of satisfaction.

4. To identity the benefits enjoyed and the problems faced by the consumer in utilizing the retail stores.

5. To suggest better ways and mean to utilise the retail stores of optimum level.

1.3 STATEMENT OF PROBLEMS:

Major demographic and behavioural shifts in the population are occurring, with consumers exhibiting noticeable changes in shopping. preference for products and services. Given these other environmental considerations factors, retailers desiring high levels of performance and growth must be successful at intercepting sales directly from competitors therefore, understanding the shopping preferences of consumers is paramount to the success of shopping center developers and retailers.

Major demographic shifts have been occurring in India over the past few decades, including a re-defining of the characteristics of a family. Retailers in the intensely competitive global market are struggling to keep pace with these shifting demographics. Consumers’ desire for convenience and one-stop shopping has led to the use of scrambled merchandising strategies and the evolution of new retailing formats that offer wide variety of merchandise such as mass merchandisers and supercenters. In response to the large supercenter format, department store and specialty store retailers rely on differentiation strategies, such as exclusive products, brands and high levels of customer service, to remain competitive. Considering the shifts in the demographic makeup of the urban household and in the competitive landscape of the Indian retail industry, it is imperative that retailers begin to dissect and understand each segment of consumers in the market. In addition, knowledge of demographic profiles can lead to a better understanding of consumer preferences for various retail formats.

1.4 SCOPE OF THE STUDY:

Retailing includes all activities involved in selling goods or services to the final consumers for personal, non-business use. Any organization that sells the products for consumption to the customers for their personal, family, or household use is in the occupation of retailing.
It is one of the fastest growing industries in India and is providing employment opportunities to many people. Retailing provides employment in two ways. Firstly, it provides entrepreneurship opportunities to the people and secondly, it provides employment to so many people who cannot own the retail stores.

The pandemic has accelerated the shift towards a more digital world and triggered changes in online shopping behaviours that are likely to have lasting effects.

Consumers in emerging economies have made the greatest shift to online shopping, the survey shows.

The COVID-19 pandemic has accelerated the shift towards a more digital world. The changes we make now will have lasting effects as the world economy begins to recover.

1.5 RESEARCH METHODOLOGY:

The research methodology gives an idea about the type of research design, the sampling techniques, the process of data collection and the instruments used for data analysis. In order to achieve the objectives of the study and to analyse the data collected, an appropriate methodology has been developed. A research methodology is a master plan for the conduct of formal investigation. The present study has been explanatory as well as descriptive. The various aspects of methodology have been discussed below.

1.5.1 SOURCE OF DATA

To accomplish the objectives of the study, the data required has been collected using both primary and secondary data.

Primary Data

The questionnaire that has been designed for this purpose with 30 relevant questions were distributed among the customers. 150 responses were collected.

Secondary Data

The theoretical background of the present study has been gathered from various sources which include books, journals, magazines, websites and other related research work.

1.5.2 AREA OF STUDY

The purpose of this study is to identify the level of satisfaction, of consumer preference and utilization of retail stores.

1.5.3 PERIOD OF STUDY

The period of study is from March 2021 – March 2022.

1.5.4 SAMPLE SIZE

The study was made by distributing the questionnaire to 150 respondents in Tamil Nadu.
1.5.5 CONSUMER OF ANALYSIS:

The following statistical tools have been used to analyse the primary data

- Percentage Analysis
- Chi-Square Analysis
- ANOVA
- t-Test

1.6 LIMITATIONS OF THE STUDY:

The study was conducted only in few areas of Coimbatore city and not the whole state. Due to time constraints, the data have been collected only from 150 respondents.

1.7 CHAPTER SCHEME:

The study has been presented in five chapters.

Chapter I

The introduction, statement of the problem, objectives, research methodology and limitations of the study are narrated in this Chapter.

Chapter II

The second chapter deals with the literature review related to the study.

Chapter III

The third chapter is the overview of the study.

Chapter IV

The fourth chapter represents the data analysis and interpretation.

Chapter V

The final chapter deals with the findings, suggestions and conclusions of the study.

CHAPTER-2

REVIEW OF LITERATURE

Retail managers are critical to the effective performance of a firm given their key role of implementing retailer strategy through the behaviors and attitudes that are instilled within frontline employees. Yet, empirical work in retailing rarely attempts to incorporate perspectives of both the store manager and frontline employee, as well as integrating customer-focused outcomes. In this study, based upon predictions of social exchange theory, we present empirical results that provide an integrative view of how leader-member exchange quality influences the development of a frontline employee’s brand relationship, which ultimately influences retail employee performance and customer loyalty/brand equity. The strength of the observed empirical relationships is influenced by contextual factors, including manager brand knowledge and the extent to which strategic information is disseminated among employees. Both theoretical and managerial implications are discussed.

Sunny Ham, Kai-Sean Lee, Bonhak Koo, Seoyoung Kim, Hyeyoung Moon, Heesup Han Journal of Retailing and Consumer Services 62, 102614, (2021):

Grocerants (grocery retail store + restaurant) represent a rising retail sector in the foodservice industry. The grocerant business model transforms a space of everyday mundanity (grocery retail shopping) into one of experiential value, offering consumers a social space to linger, dine, and seek nourishment all within the same commercial premise. To this end, grocerants represent an experientially driven consumption segment, a fertile context worthy of exploration yet understudied. Informed theoretically by the brand experience model, this study explored the role of grocerant patrons’ product experiences, in conjunction with the variables of need for uniqueness, product satisfaction, product involvement, price-quality schema, and behavioral intentions. A quantitative approach and a field survey method were employed, and analyses confirmed the effectiveness of the higher-order structure of product experiences (sensory, affective, behavioral, intellectual, and escapism). In addition, satisfaction, involvement, and need for uniqueness were confirmed as contributors to building favorable behavioral intentions. The link between involvement and intention was also influenced significantly by price-quality schema, and satisfaction and involvement were accounted as critical mediators. Theoretical and practical implications were discussed.

Anne-Sophie Riegger, Jan F Klein, Katrin Merfeld, Sven Henkel Journal of Business Research 123, 140-155, (2021):

Smart technologies grant brick-and-mortar retailers novel opportunities to introduce the amenities of online retailing, such as data-driven personalization, into physical interactions. Research on consumer reactions to the novel phenomenon of technology-enabled personalization (TEP) in retail stores is scarce though, so the current article proposes a conceptualization that demarcates TEP from broader notions of personalization. Qualitative data from 25 in-depth consumer interviews reveal five drivers (utilitarian, hedonic, control, interaction, integration) of and four barriers (exploitation, interaction misfit, privacy, and lack of confidence) to consumers’ acceptance of TEP. The juxtaposition of these drivers and barriers, in combination with insights from prior literature, reveals five success paradoxes for TEP (exploration–limitation, staff presence–absence, humanization–dehumanization, personalization–privacy–personal–retailer devices). The findings provide several theoretical and managerial implications, as well as avenues for further research.
Robert A Shumsky, Laurens Debo, Rebecca M Lebeaux, Quang P Nguyen, Anne GHoen Proceedings of the National Academy of Sciences 118 (11), (2021):

We examine how operational changes in customer flows in retail stores affect the rate of COVID-19 transmission. We combine a model of customer movement with two models of disease transmission: direct exposure when two customers are in close proximity and wake exposure when one customer is in the airflow behind another customer. We find that the effectiveness of some operational interventions is sensitive to the primary mode of transmission. Restricting customer flow to one-way movement is highly effective if direct exposure is the dominant mode of transmission. In particular, the rate of direct transmission under full compliance with one-way movement is less than one-third the rate under two-way movement. Directing customers to follow one-way flow, however, is not effective if wake exposure dominates. We find that two other interventions—reducing the speed variance of customers and throughput control—can be effective whether direct or wake transmission is dominant. We also examine the trade-off between customer throughput and the risk of infection to customers, and we show how the optimal throughput rate drops rapidly as the population prevalence rises.

Mark S Rosenbaum, Germán Contreras Ramirez, Kathy Kawon Kim Journal of Retailing and Consumer Services 59, 102426, (2021):

This research examines discrimination against homosexual consumers in several stores located in a Colombian shopping mall. Further, this research assesses retail conditions in Colombia, which is dealing with conflicts arising from issues related to its legalization of same-sex marriage. In the past, homosexual consumers experienced overt discrimination from retail employees typically in the form of finger pointing, negative stares, laughing, and refusal of service. This research reveals that overt discrimination against homosexual consumers seems to have abated across several indices, primarily in terms of waiting time for assistance from employees. The data reveal that gay male and lesbian couples remain susceptible to covert discrimination by retail employees, compared with their heterosexual counterparts, typically in the form of negative glances, refusal of service, and laughter. This research reveals that homosexual consumers may not realize the full value potential of marketplace exchanges, despite the waning of overt discriminatory practices by retail employees.

Robert P Davis, D Allen Davis, Claude E Boyd Current research in food science 4, 679-683, (2021):

Shrimp are an important and valuable commodity for aquaculture that are widely traded internationally. Widespread antibiotic use has been documented in shrimp farming and is a common source of criticism of aquaculture products. Additionally, previous reports have found some evidence of antibiotic residues in shrimp samples obtained from retail stores in the United States, which is a concern for consumers. To further understand the prevalence of antibiotics in retail shrimp in the United States, shrimp samples obtained from grocery stores across 16 states were analyzed for 74 antibiotic compounds/metabolites at a commercial laboratory. 68 samples were analyzed for a multiclass antibiotic panel which included 66 antibiotics while a subset of 15 samples were analyzed for β-lactam antibiotics, Nitrofurans, and Oxytetracycline. Samples were obtained that were labeled as being from major production countries, including India, Indonesia, Thailand, and Vietnam. No detectable antibiotic residues were found this survey in any samples. This is contrary to
previous findings in frozen shrimp analyzed for antibiotics, which typically report low levels of the prevalence of antibiotics.


Retailers that sell seasonal products face significant challenges when planning inventory assortment. The incorporation of drop-shipping into their operations, wherein suppliers own and ship products directly to consumers at retailers’ requests, has only complicated these challenges. This study investigates multichannel assortment planning of retailers that sell seasonal products. We first capture structural properties of multichannel retailing of seasonal products through a simple and parsimonious analytical model.


The world of retailing is changing rapidly, and much of that change has been enabled by customer-interfacing retail technologies. This commentary offers a framework for classifying technologies, based on their primary influence on a customer’s purchase journey – in the pre-purchase stage, needs management and search engagement technologies; in purchase stage, purchase transaction and physical acquisition technologies; and in the post-purchase stage, follow-up service and loyalty management technologies.

Tarisai Fritz Rukuni, Eugine Tafadzwa Maziriri Data in brief 31, 105818, (2020):

This article presents raw inferential statistical data that determined the coronavirus readiness strategies at retail stores in South Africa and their consequences for consumer behavioural intentions. The data was collected from customers within the metropolitan area of Bloemfontein. The data were analysed using a quantitative approach. Structured questionnaires were provided to customers throughout South Africa's Bloemfontein metropolitan area. Reliability and validity were confirmed. The data was presented using Structural Equation modelling (SEM) using the Smart PLS program. The analysis of the SEM path shows estimates of the interconnectivity of the major constructs in the data. The findings from this dataset show that sanitised retail entrances, sanitised retail counters and sanitised retail shelves had a statistically significant effect on customer satisfaction with covid-19 readiness in retail stores. Furthermore, the data reveals that retail social distancing and senior citizens shopping hours had a statistically insignificant effect on customer satisfaction with covid-19 readiness. Moreover, the data reveals that customer satisfaction with covid-19 readiness strategies of retail stores also had a positive and statistically significant effect on customer behavioural intentions.

Sabrina Helm, Soo Hyun Kim, Silvia Van Riper Journal of Retailing and Consumer Services 54, 101683, (2020):

Strong signals exist for a permanent restructuring of retailing, where traditional physical retailers may not fully recover. Such transformation will have vast implications for consumers, the industry, and society in general. This study explores U.S. consumers’ evaluations of these profound changes sometimes referred to as the ‘retail apocalypse.’ Two studies, a content analysis of reader comments in response to articles featuring reports on large-scale store closures, and structured online consumer interviews, provide insights into consumers’ perspectives. We include consumer-derived explanations for the decline in physical retail, and the growth of online shopping, as well as anticipated consequences for both, individual consumers and
society in general, in a conceptual framework. We find many consumers lamenting the disappearance of physical retailers. Most expect negative consequences for themselves and society. However, many consumers also describe physical retailers as often unable to deliver on basic retail functions, and many are accepting of a future with very few physical stores. Based on these findings, we develop practical implications for the retail industry and public policy, as well as future research opportunities.

Ana Paula Graciola, Deonir De Toni, Gabriel Sperandio Milan, Luciene Eberle
Journal of Retailing and Consumer Services 55, 102117, (2020):

This paper addresses how different store formats moderate the relationship between store image and purchase intention, mediated by brand awareness and perceived value. Questionnaire data was collected through face-to-face interviews with retail customers on the streets of a city in southern Brazil. Hypotheses testing were performed using the partial least squares structural equation modeling, supported by Smart-PLS and the Bootstrapping procedure run in the Process software. The model's sample included 298 retail customers for each store format (supermarket and mini-market). Results showed that store image positively impacted customer purchase intentions and the mediators, perceived value and brand awareness, which had a distinct effect on the direct relation of store image and purchase intention. Store format presented moderation effects on the relation between store image and brand awareness for both store formats: the higher the perception of store image, the greater the consumer's brand awareness. However, store format did not present a moderating effect on the relationship between brand awareness and purchase intention. Store image was found to be an important independent construct that improves brand awareness and increases perceived value. The number of mini-markets in Brazil is increasing, indicating that they are supplying a need unmet by supermarkets. The study design's implementation in the city streets, respondents were requested to imagine store image, which may have affected some of the parameters. The model integrated store image as an important construct influencing purchase behavior and this study presented a mediated-moderated model with managerial implications.

Rajasshrie Pillai, Brijesh Sivathanu, Yogesh K Dwivedi

Artificial Intelligence (AI) is transforming the way retail stores operate. AI-Powered Automated Retail Stores are the next revolution in physical retail. Consumers are facing fully automated technology in these retail stores. Therefore, it is necessary to scrutinize the antecedents of consumers' intention to shop at AI-Powered Automated Retail Stores. This study delves into this area to find the predictors of consumers’ intention to shop at AI-Powered Automated Retail Stores. It extends the technology readiness and acceptance model by the addition of AI context-specific constructs such as Perceived Enjoyment, Customization and Interactivity from the present literature. The proposed model is tested by surveying 1250 consumers & the data is analyzed using the PLS-SEM technique and empirically validated. The outcome of the study reveals that Innovativeness and Optimism of consumers affect the perceived ease and perceived usefulness. Insecurity negatively affects the perceived usefulness of AI-powered automated retail stores. Perceived ease of use, perceived usefulness, perceived enjoyment, customization and interactivity are significant predictors of shopping intention of consumers in AI-powered automated stores. This research presents insightful academic and managerial implications in the domain of retailing and technology in retail.
Reducing food waste at stores is a huge challenge for retailers, that are called to improve the efficiency of their operations in order to reduce the quantity of food that goes discarded. Some studies suggest that part of the food products removed from sale are not recorded as waste, but the quantity and features of this unrecorded food waste is largely unknown. The underestimation of retail food waste data hinders the effectiveness of actions against food waste at the store level, as managers may build their decisions on unreliable information. In this study we directly measure the waste of 9 food categories in a panel of 13 supermarkets in Italy. An improved recording practice was applied during the 12 months of the study, allowing to detect all the food wasted, including what usually remains unrecorded. By comparing the data gathered during the study with those recorded at the same stores prior the application of the improved recording routine, meaningful quantities of unrecorded food waste emerge for many food categories, especially fruits and vegetables, packed cold cuts and groceries. The rate of food waste in value raises from 1.00% to 1.35% on comparable periods, as a result of the implementation of the improved recordingprocedure may sensitize the staff over the issue of food waste, thus preventing to some extent its generation. A new model of food waste recording is therefore proposed, with a meaningful potential to improve the quality of the data available to store managers and, at the same time, to reduce the economic losses due to in-store food waste.

Cristina Álvarez-Rodríguez, Mario Martín-Gamboa, Diego Iribarren Science of the Total Environment 718, 137330, (2020):

Within the framework of multi-criteria decision analysis (MCDA), weighting methods are typically used to capture decision-makers' preferences. In this regard, the increasing use of the combined LCA (Life Cycle Assessment) + DEA (Data Envelopment Analysis) methodology as an MCDA tool requires an in-depth analysis of how the preferences of decision-makers could affect the outcomes of LCA + DEA studies. This work revisits a case study of 30 retail stores/supply chains located in Spain by applying alternative weighted DEA approaches to evaluate the influence of decision-makers' preferences (weights) on the final outcomes, with a focus on efficiency scores and operational and environmental benchmarks. The ultimate goal is to effectively capture the view of stakeholders when applying LCA + DEA for the sound, sustainability-oriented management of multiple similar entities. Different weightvectors are separately applied to three types of DEA elements: operational inputs, time terms, and divisions. Besides, preferences from three alternative standpoints are considered: company manager through direct rating, and environmental policy-maker and local community through AHP (analytic hierarchy process). A significant influence on efficiency scores and sustainability benchmarks was found when weighting decision-makers' preferences on operational inputs. Additionally, a moderate influence was observed when weighting divisions according to a policy-maker or local community perspective. Although the results are case-specific, they lead to the general recommendation to enrich LCA + DEA studies by following not only an equal-weight approach but also approaches that include the preferences of the stakeholders effectively involved in the study.

One of the key decision making processes for retailer performance is optimizing store locations which involves both the opening and closing of stores, or store churn. With the recent challenges in the retail industry illustrated by failing retailers and massive store closures, the discussion of the value or detriment of store churn is at the forefront, yet limited studies shed light on this important aspect of retail performance. Drawing on Dynamic Decision Making framework, using a longitudinal sample we investigate whether store churn generates negative or positive returns and if two environmental factors relevant to the retail industry—amplitude and unpredictability of seasonally adjusted industry quarterly sales—influence the relationship between store churn and performance. In a sample of 115 publicly traded retail chains in the US between the first quarter of 1986 to the first quarter of 2017, we found that store churn has a positive but small overall effect on performance and that under conditions of lower levels of amplitude or low unpredictability of industry sales, the small direct effect of store churn becomes a much greater positive effect. The findings show that, amongst a mature population of retailers, store churn in the face of lower amplitude and unpredictability may lead to higher returns.

Gabriele Pizzi, Daniele Scarpi, Marco Pichierri, Virginia Vannucci Computers in Human Behavior 96, 1-12, (2019):

Virtual Reality (VR) is largely associated with a positive potential in terms of both higher efficiency and higher escapism for the consumer. Whereas previous research demonstrated the importance of consumers' hedonic and utilitarian shopping orientations in traditional channels, this study examines the potential of a VR store to elicit hedonism and utilitarianism. Combining literature on VR, shopping orientation, and retailing, we develop a multiple moderated mediation model. Then, in a quasi-experimental between-subjects design, we measure levels of hedonism, utilitarianism, store satisfaction, and perceived assortment size. Participants were exposed to the same shelf in a VR-based and a physical store. We found that VR has a negative impact on satisfaction that is moderated by perceived assortment size, and that VR elicits both utilitarianism and hedonism, which mediate the impact of the channel on store satisfaction differently but equally. Overall, consumers reported high levels of all measured outcome variables after being exposed to the VR experience. In addition, behaviors in the VR-based and physical stores compare quite well.


Systemic changes are transforming traditional brick-and-mortar retailing, with some venerable retailers closing some or all of their stores, others reinventing store layouts and shopper engagement tactics, and, interestingly, the migration of erstwhile online-only retailers to the physical retail landscape. Given these changes, it is imperative for brick-and-mortar retailers to identify newer customer relationship mechanisms that motivate patronage intentions. Drawing from research on consumer-brand relationships, this study introduces store attachment as a second-order relational construct comprising of store-self connection and store prominence. Subsequently, for store attachment, cognitive and emotional antecedents as well as consequent influence on store patronage intentions are hypothesized and tested. Based on these findings, implications are offered for retailing researchers and practitioners.

Heidi C Dreyer, Iskra Dukovska-Popovska, Quan Yu, Carl Philip Hedenstierna Journal of Cleaner Production 210, 505-517, (2019):
Food waste has become a major concern globally, leading to high economic, environmental and social awareness, as well as inclusion in international policy documents. In the developed world, the retail stage has the greatest potential for waste reduction as it balances demand with supply, stimulates demand (thus affecting waste at the consumer level) and sets standards to the supply and the products (thus affecting food loss upstream). To precisely direct managerial intervention towards products with high waste-mitigation potential, the waste impact needs to be quantified. Previous studies measuring waste have examined individual metrics exclusive of each other, which affects the ranking of products. The present study proposes a method for prioritising waste based on combined monetary and environmental indicators, and it demonstrates the applicability of the method through empirical data from Scandinavian retail stores. The contribution of the proposed metric is that it results in a unique score comprising economic and environmental impacts for every single product, thus directing the managerial intervention more precisely. In addition, it enables choosing a weight for the economic and the environmental indicators, thus adding to the previous literature that looks at the products either through an economic or environmental perspective, exclusive of each other. Applying the method confirmed the previous research at a product group level that bread, meat and fruits/vegetables are the highest wasters. In addition, for some products, such as meat and fruit, the dependency between economic and environmental impacts is weaker, whereas it is stronger for others (e.g. bread and biscuits), thereby necessitating a method to gauge waste in both dimensions.

**Gabriel Zambrano-Rey, Héctor López-Ospina, Juan Pérez** Applied Mathematical Modelling 75, 521-534, (2019):

The purpose of this paper is to report a pricing and retail location model using the constrained multinomial logit (CMNL), which takes into account customers’ utility and maximum willingness to pay via cut-off soft-constraints. The proposed model is probabilistic and non-linear, therefore a PSO metaheuristic approach was designed to determine the most suitable price, store locations and demand segmentation. The results obtained in test-cases showed a close relationship between price and location decisions. In addition, the results suggest that not only price, but also location decisions are affected when the consumers’ maximum willingness to pay is considered.

**Barry Berman** Business Horizons 62 (1), 75-82, (2019):

The recent wave of retail bankruptcies as well as poor sales performance has resulted in a large number of store closings. Low sales in store-based retailers can also be attributed to the rapid growth of web-based retailers (largely, Amazon) as well as an excess of store space per capita in the U.S. as compared to other developed nations. Strategies to stem the decline of retail stores include: (1) utilizing omnichannel-based synergies among channels and devices to increase store sales; (2) making stores more attractive and engaging through personalization, interactivity, and a constantly changing environment; and (3) improving productivity through introducing small-size store formats and downsizing existing stores.

**Christoph Teller, Christina Holweg, Gerald Reiner, Herbert Kotzab** Journal of Cleaner Production 185, 981-997, (2018):

This paper focuses on the issue of food waste from a retail and store operations perspective, with the aim to identify the root causes of food waste occurrence at a retail store level across different store formats and product categories. To achieve this, we first conducted case studies, including semi-structured interviews
with store managers. This exploratory research involved 28 cases across dominant retail store formats (i.e., super- and hypermarkets and discount and convenience stores). The results along with secondary data research underlie a process simulation modeling approach that quantifies the impact of selected root causes of food waste by considering the dependencies between them. Finally, we conducted semi-structured interviews with 12 food waste experts to confirm findings of the case studies and simulations and to delineate the practical implications of our research and the related solutions. Our findings show that the root causes of food waste are related to undesirable customer behavior and erratic demand, inefficient store operations and replenishment policies, and elevated product (quality) requirements of both retail organizations and customers. Root causes and their impacts differ across store formats and product categories. Furthermore, the interdependencies between the root causes in the different spheres of responsibility and influence (i.e., customers, the store, and the parent organization) are evident. The paper contributes to the literature by providing detailed understanding of retail operations related to the occurrence of food waste across store formats at a product-category level and revealing pathways for preventing and reducing the occurrence of food waste at a retail store level.

**Geng Lin, Xiaoxuan Chen, Yutian Liang Applied geography 100, 12-20, (2018):**

Transportation networks have a profound influence on the location of retail stores, but there has been little research on the relationship between the location of retail stores and street centrality in traditional commercial metropolises. Based on three indices, namely, closeness, betweenness, and straightness, in a multiple centrality assessment (MCA) model, we analyzed the location of various retail stores and street centrality in Guangzhou using points of interest (POI) and street network data. The results show that street centrality in Guangzhou has a large impact on the location of retail stores and that different store types have different centrality orientations: (1) The location of all retail stores correlates most highly with betweenness, followed by closeness and straightness. (2) Shopping malls favor street centrality most, followed by convenience stores, specialty stores, textile and clothing stores, supermarkets, building material stores, and traditional grocery stores. (3) Apart from traditional grocery stores, which are weakly correlated with street centrality, shopping malls and convenience stores value locations with better closeness and straightness. (2) Shopping malls favor street centrality most, followed by convenience stores, specialty stores, textile and clothing stores, supermarkets, building material stores, and traditional grocery stores. (3) Apart from traditional grocery stores, which are weakly correlated with street centrality, shopping malls and convenience stores value locations with better closeness, while the other retail store types tend to distribute in areas with better betweenness. Our findings can help guide urban planners in designing commercial activity zones and transportation networks.


To drive differentiation and create competitive advantage, most brands strive to deliver extraordinary brand experiences. One means of doing so is operating flagship stores, in which an augmented brand display allows consumers to experience the brand more strongly. The results of an experiment that simulates a brand store versus flagship store visit and manipulates motivational orientation indicate that the retail experience updates the brand experience. In flagship stores, this process is facilitated by recreational (vs. task-oriented) motivation, while the opposite occurs in (nonexperiential) brand stores. Through improved brand experience, a positive retail experience generates purchases of both standard and exclusive store products. A field study
confirms this effect, identifies brand salience as a moderator, and shows that positive retail and brand experiences generate cross-channel purchase intention and brand buzz.


In recent decades, rapid advances in Internet technology have led to numerous innovative smart technologies. This research investigates the customer acceptance of and resistance to smart technologies in the retail sector, by integrating the literature on technology acceptance model, system characteristics, technology readiness, and store reputation. Data were collected using a quantitative survey and analysed using symmetrical PLS path modelling and asymmetrical fuzzy set qualitative comparative analysis (fsQCA). Results show complex relationships among perceived technology readiness, perceived ease of use, perceived usefulness, superior functionality, perceived adaptiveness, and store reputation in determining customers’ attitudes and behavioural intentions towards smart retail technologies. The findings also show that technology readiness does not directly affect customer attitude but does indirectly through perceived innovation characteristics. The findings indicate that retail stores should focus on smart technologies that are simple, yet offer enhanced customer value through improved shopping efficiency. Findings also suggest that retail stores can engage in brand management strategies to improve customers’ acceptance of smart technologies.


In the digital age, retail store operations face a variety of novel challenges and complexities. We review 255 papers on retail store operations from 32 operations research, management science, retailing, and general management journals over the period 2008–2016. We assess the current state of research within the context of retail store operations. By discussing the limitations present in these papers, we identify a number of research gaps and propose several opportunities for advancing retail expertise in the operations management community.


Consumer promotions are an important element of competitive dynamics in retail markets and make a significant difference in the retailer's profits. But no study has so far included all the elements that are required to meet retail business objectives. We extend the existing literatures by considering all the basic requirements for a promotional Decision Support System (DSS): reliance on operational (store-level) data only, the ability to predict sales as a function of prices and the inclusion of other promotional variables affecting the category. The new model delivers an optimizing promotional schedule at Stock-Keeping-Unit (SKU) level which maximizes multi-period category level profit under the constraints of business rules typically applied in practice. We first develop a high dimensional distributed lag demand model which integrates both cross-SKU competitive promotion information and cross-period promotional influences. We estimate the model by proposing a two stage sign constrained regularization approach to ensure realistic promotional parameters. Based on the demand model, we then build a nonlinear integer programming model to maximize the retailer's category profits over a planning horizon under constraints that model...
important business rules. The output of the model provides optimized prices, display and feature advertising planning together with sales and profit forecasts. Empirical tests over a number of stores and categories using supermarket data suggest that our model generates accurate sales forecasts and increases category profits by approximately 17% and that including cross-item and cross-period effects is also valuable.

Clara Cicatiello, Silvio Franco, Barbara Pancino, Emanuele Blasi, Luca Falasconi


This study tackles the quantification of in-store food waste, with a specific focus on the distinction between the edible and inedible fraction. A meta-analysis of the studies dealing with retail food waste quantification is provided to identify the results obtained so far. Then, the mass and value of food waste produced in 2015 at one retail store in Italy is analysed, basing on the store's food waste records and on the reports of a redistribution initiative involving the edible fraction of the food waste produced. In one year, 70.6 tons of food (for a value of nearly 170,000 €) are wasted, mostly bread and fresh fruit and vegetables. The edible fraction accounts for 35% of the total food waste, mostly from fresh meat and bakery departments. Results also disclose a significant amount of unrecorded food waste, confirming that many gaps exist in the food waste recording procedure at retail stores.

Aashwinikumar Devari, Alexander G Nikolaev, Qing He

Transportation Research Part E: Logistics and Transportation Review 105, 105-122, (2017):

This paper demonstrates the potential benefits of crowdsourcing last mile delivery by exploiting a social network of the customers. The presented models and analysis are informed by the results of a survey to gauge people’s attitudes toward engaging in social network-reliant package delivery to and by friends or acquaintances. It is found that using friends in a social network to assist in last mile delivery greatly reduces delivery costs and total emissions while ensuring speedy and reliable delivery. The proposed new delivery method also mitigates the privacy concerns and not-at-home syndrome that widely exist in last mile delivery.

Miralem Helmefalk, Bertil Hultén

Journal of Retailing and Consumer Services 38, 1-11, (2017):

This paper explores the effects of multi-sensory congruent cues on shoppers’ emotions and purchase behavior in designing retail store atmosphere. Prior research suggests atmospheric stimuli to contribute to establish an appealing atmosphere and studies have confirmed that shoppers react to different stimuli. However, extant studies have not examined how multi-sensory congruent cues added to a visually dominant store atmosphere might impact shopper emotions and purchase behavior. The findings demonstrate a positive effect of multi-sensory congruent cues on shoppers’ emotions, through valence, and purchase behavior, through time spent and purchase. It is evident that shoppers perceive multi-sensory cues, such as auditory and olfactory ones, to be more effective in a dominant visual store atmosphere compared to only adding new visual stimuli. For retailers, a visually dominant store atmosphere should be designed more in the direction of a multi-sensory atmosphere in offering shoppers more appealing experiences of the retail setting.

A retail store space in luxury fashion functions as a critical marketing point communicating the brand’s intended image. This study explores the symbolic effect of aesthetic factors of retail atmosphere in luxury, focusing on the impact of perceived luxury of interior colors in retail atmosphere on perceived store luxury, consumer emotion, and preference. A total of 218 U.S. consumers participated in an online survey, employing a hypothetical store image reflecting a high- or low-luxury retail atmosphere (manipulated through the interior colors). The results statistically support that (a) participants exposed to the high-luxury retail atmosphere condition (of high-luxury colors) report a higher level of perceived store luxury than do the participants exposed to the low-luxury retail atmosphere condition (of low-luxury colors), (b) perceived store luxury increases felt pleasure and arousal but not felt dominance, and (c) felt pleasure and arousal improve store preference.


The communications sector is emerging with new technologies, wireless and wireline services. The industry's success expects a better perception of customer requirements and superior quality of service and models. Customer churn has a huge impact on companies and is the prime focus area for the companies to remain competitive and profitable. Hence, significant research had been undertaken by researchers worldwide to understand the dynamics of customer churn. This paper provides a review of around 75 recent journal articles (starting from year 2000) to identify the various churn factors and their complex relationships, in existing telecom churn literature. It gives detailed discussion of what factors were identified in various studies, the sample sizes used and the method used for the study by different researchers. The gaps identified in the previous studies have also been discussed. A model on churn factors, identified from the study is proposed to serve as a roadmap, to build upon exciting churn management techniques.


This study examines the relative effectiveness of traditional advertising, impressions generated through firm-to-consumer (F2C) messages on Facebook, and the volume and valence of consumer-to-consumer (C2C) messages on Twitter and web forums for brand-building and customer acquisition efforts. The authors apply vector autoregressive modeling to a unique data set from a European telecom firm. This modeling approach allows them to consider the interrelations among traditional advertising, F2C impressions, and volume and valence of C2C social messages. The results show that traditional advertising is most effective for both brand building and customer acquisition. Impressions generated through F2C social messages complement traditional advertising efforts. Thus, thoroughly orchestrating traditional advertising and a firm's social media activities may improve a firm's performance with respect to building the brand and encouraging customer acquisition. Impressions generated through F2C social messages complement traditional advertising efforts. Thus, thoroughly orchestrating traditional advertising and a firm's social media activities may improve a firm's performance with respect to building the brand and encouraging customer acquisition. Moreover, firms can stimulate the volume and valence of C2C messages through traditional advertising that in turn influences...
brand building and acquisition. These findings can help managers leverage the different types of messages more adequately.

Yang Xu, Yann Landon, Stephane Segonds, Yicha Zhang Computers & industrial engineering 114, 11-21, (2017):

Mass customization (MC) is one of the leading strategies used in production industries in today’s market filled with competition. MC is an oxymoron of controlling production costs and satisfying customers’ individual requirements. It is well known that economy of scale and economy of scope is a pair of conflicts, and how to get the balance between them is the key issue to promote enterprises’ competition. By analyzing and processing information of customer preference, product features and cost, this paper proposes a decision support model in mass customization to obtain the optimized production solution. Genetic algorithm is used for optimization, and the results of an illustrative example show that the model is efficient in production industries.

Hongzhan Ma, Xuening Chu, Deyi Xue, Dongping Chen Expert Systems with Applications 81, 444-456, (2017):

Conceptual design plays an important role in development of new products and redesign of existing products. Morphological matrix is a popular tool for conceptual design. Although the morphological-matrix based conceptual design approaches are effective for generation of conceptual schemes, quantitative evaluation to each of the function solution principle is seldom considered, thus leading to the difficulty to identify the optimal conceptual design by combining these function solution principles. In addition, the uncertainties due to the subjective evaluations from engineers and customers in early design stage are not considered in these morphological-matrix based conceptual design approaches. To solve these problems, a systematic decision making approach is developed in this research for product conceptual design based on fuzzy morphological matrix to quantitatively evaluate function solution principles using knowledge and preferences of engineers and customers with subjective uncertainties. In this research, the morphological matrix is quantified by associating the properties of function solution principles with the information of customer preferences and product failures. Customer preferences for different function solution principles are obtained from multiple customers using fuzzy pairwise comparison (FPC). The fuzzy customer preference degree of each solution principle is then calculated by fuzzy logarithmic least square method (FLLSM). In addition, the product failure data are used to improve product reliability through fuzzy failure mode effects analysis (FMEA). Unlike the traditional FMEA, the causality relationships among failure modes of solution principles are analyzed to use failure information more effectively through constructing a directed failure causality relationship diagram (DFCRD). A fuzzy multi-objective optimization model is also developed to solve the conceptual design problem. The effectiveness of this new approach is demonstrated using a real-world application for conceptual design of a horizontal directional drilling machine (HDDM).


Remanufacturing is a recovery process that transforms a used product into a “like-new” product, which usually comes with a warranty similar to that of the new product. Many manufacturers are concerned that remanufacturing might cannibalize the new product's sales. Recent development shows an increasing trend
in selling products through non-traditional channels, such as a manufacturer's direct channel or an e-channel. A pricing decision model is developed for short life-cycle products in a closed-loop supply chain that consists of the manufacturer, retailer, and collector. The new(1) customer acceptance of buying a remanufactured product (reman-acceptance); (2) customer preference for buying a remanufactured product via a direct channel (direct-channel-preference). The results show that implementing a separate channel can improve the total supply chain's profit compared to the single-channel approach. It is also found that the two scaling factors influence both the pricing decisions and profits of supply-chain members.


Customer service is a critical element of a hotel's strategy and an important lever for differentiation of the hotel's offer. Over the last two decades, information systems have contributed to the transformation of customer interactions, enabling an unprecedented scale and scope of service personalization in the tourism industry. This paper reports the results of a mixed method study in a hotel that offers three contributions to the development and refinement of IT-enabled service personalization theory. It explores the role of signifiers in the design of customer service systems, showing that they significantly increase customer preference elicitation during the learning phase of the service personalization process. It then demonstrates that improved preference elicitation translates into higher customer service evaluations and value perceptions of the hotel. Finally, our study shows that IT-enabled service personalization creates financial benefits for the hotel via revenue share-shift from costly intermediated to direct distribution channels.


With the rapid development of cloud computing, cloud service has become an indispensable component of modern information systems where quality of service (QoS) has a direct impact on the system's performance and stability. While scholars have concentrated their efforts on the monitoring and evaluation of QoS in cloud computing, other service selection characteristics have been neglected, such as the scarcity of evaluation data and various customer needs. In this paper, we present a ranking-oriented prediction method that will assist in the process of discovering the cloud service candidates that have the highest customer satisfaction. This approach encompasses two basic functions: ranking similarity estimation and cloud service ranking prediction that takes into account customer's preference and expectation. The comparative experimental results show that the proposed method outperforms other competing methods.


A feature model is an essential tool to identify variability and commonality within a product line of an enterprise, assisting stakeholders to configure product lines and to discover opportunities for reuse. However, the number of product variants needed to satisfy individual customer needs is still an open question, as feature models do not incorporate any direct customer preference information. In this paper, we propose to incorporate customer preference information into feature models using sentiment analysis of
user-generated online product reviews. The proposed sentiment analysis method is a hybrid combination of affective lexicons and a rough-set technique. It is able to predict sentence sentiments for individual product features with acceptable accuracy, and thus augment a feature model by integrating positive and negative opinions of the customers. Such opinionated customer preference information is regarded as one attribute of the features, which helps to decide the number of variants needed within a product line. Finally, we demonstrate the feasibility and potential of the proposed method via an application case of Kindle Fire HD tablets.

Manuel Schoenwitz, Andrew Potter, Jonathan Gosling, Mohamed Naim

Much of the extant literature exploits the customer order decoupling point (CODP) from an aggregate product level. We develop a systematic approach to determine the alignment of CODP configurations at product, category and component levels, with customer preferences in terms of their customisation requirements. We adopt a participatory research method incorporating focus groups and interviews with personnel from a German case study company that builds prefabricated houses. From this we determine the product architecture. We also undertake a customer preference survey utilising a questionnaire that is based on a paired comparison technique. The survey informs customer preferences for choice for various elements of the architecture. We find that while at the product level the company produces a house that as a whole offers a high degree of customisation, at a category or components levels there are various offerings from pure standardisation to pure customisation. Furthermore, there is not always alignment between what customers want and what is actually being offered by the customer. So the company has options in terms of reconfiguring its operations, design new products/categories/components and/or seeking new marketplace opportunities. While the research has developed a technique that determines the extent to which the CODP positioning for a product architecture is aligned against customer preferences, there is a need for further research to test our findings beyond a single case study and into other industry sector contexts.

Birgit Andrine Apenes Solem, Per Egil Pedersen

When utilising social media to establish customer–brand relationships beyond exchange, service brands must understand which activities stimulate customer brand engagement (CBE) and brand preference. Founded in ideas from regulatory engagement theory, this study examines regulatory fit as a key driver of CBE and brand value experience. Regulatory fit theory assumes that promotion orientation, focusing on attaining a desired end state, fits with eager and active customer strategies while prevention orientation, focusing on avoiding an undesired end state, fits with vigilant and watchful customer strategies. This experimental study of a Nordic insurance firm’s Facebook brand activities (n = 429) identified positive regulatory fit, non-fit and simple effects on psychologically anchored (emotional, cognitive and intentional) and behavioural (‘likes’, comments) CBE dimensions. Consistent with regulatory fit theory, the study found that a prevention-oriented brand activity best evoked positive cognitive CBE among customers applying vigilant strategies. Opposing existing theory, promotion-oriented brand activity best evoked positive emotional CBE regardless of customer strategy and a prevention-oriented brand activity best evoked positive intentional CBE among those applying eager strategies. The findings contribute to a better understanding the multidimensionality of CBE and the role of fit in regulatory engagement theory. The findings are also of direct relevance to how service firms should engage their customers, and show that service providers can benefit
from the use of prevention-oriented activities in social media if such activities are in accordance with their brand values.


Mobile telecommunication industry in Nigeria had grown over a decade in Nigeria and one of the main concerns of the service providers is to increase the number of customers, retaining the existing ones and preventing some from leaving. This study assessed of customer preference and satisfaction in mobile telecommunication industry in Nigeria, using descriptive statistics, correlation and regression analysis. Primary data were collected using a set of well-structured questionnaire from two hundred mobile network subscribers who were students of tertiary institutions of learning in Osun state. The findings revealed that majority of the respondents are influenced by service quality, promotional activities, price/billing, customer care service and satisfaction derived from the various mobile service providers. The regression analysis proved that the telecommunication services have on customer satisfaction thereby lead to their preference and continues patronage of telecom service providers. The coefficient value of the service attributes shows that there is a positive influence on customer satisfaction. The correlation coefficient values of service quality, customer care service, promotions and price/billing were positively related to subscribers buying decision improves customer satisfaction. It there concludes that GSM service provider should improve on their services/products and charge competitive price in order to attract more customers and retain the existing one to gain higher market share.

Xue Chang, Jing Li, Daniel Rodriguez, Qun Su International Journal of Production Research 54 (13), 3777-3795, (2016):

Agri-products typically have short life cycles and are perishable. The price of perishable goods is influenced by many factors. Customers in a market have different preferences with regard to price, the quality of the product and the brand. Though studies on pricing strategies that consider customer preference are rare, this paper addresses the problem of optimal pricing strategy for retailers considering customer preferences. Traditional mathematical methods cannot adequately describe the complexities of customer preference. Due to these complexities, this paper proposes an agent-based simulation model composed of six retailers and hundreds of customers, each with personal preferences. The different retailers set prices according to freshness, inventory, cost and other factors. Due to the perishable nature of the products considered, this paper proposes a new categorising price strategy that sets prices according to different degrees of treatments. By comparing the final profit of all retailers at the end of a simulation, the categorising price strategy is demonstrated to be the optimal strategy if customers with different preferences are randomly distributed. Furthermore, based on the model, the paper studies how optimal strategies are influenced by the proportion of customers with different preferences.

The distribution of many geographical objects and events is affected by the road network; thus, network-constrained point pattern analysis methods are helpful to understand their space structures and distribution patterns. In this study, network kernel density estimation and network K-function are used to study retail service hot-spot areas and the spatial clustering patterns of a local retail giant (Suguo), respectively, in Nanjing city. Stores and roads are categorized to investigate the influence of weighting different categories of point events and network on the analysis. In addition, the competitive relation between Suguo and foreign-brand retail chains was revealed. The comprehensive analysis results derived from the combination of the first-order and second-order properties can be further used to examine the reasonability of the existing store distribution and optimize the locational choice of new stores.


The aim of this study was to investigate the microbiological quality of six types of fresh produce obtained from three retail stores located on the Eastern Shore of Maryland, USA. A total of 414 samples representing basil, cilantro, lettuce, scallion, spinach, and parsley were analyzed for total aerobic bacteria (APC), total coliforms, Escherichia coli, and three pathogenic bacteria (E. coli O157:H7, Listeria monocytogenes, and Salmonella), using standard methods. Presumptive pathogenic isolates were confirmed using BAX Polymerase Chain Reaction. Total aerobic populations varied widely between samples, while 38.41% were positive for total coliforms and only 10.15% for E. coli. Median abundance (log CFU/g) of total coliforms and E. coli were less than the limit of detection and that of APC ranged from 5.78 to 6.61 over the six produce types. There was a statistically significant difference in prevalence of total coliforms among the retail stores, but not for abundance of APC or prevalence of E. coli. E. coli O157:H7 and L. monocytogenes were detected in one spinach sample each, while one parsley and one cilantro sample were positive for Salmonella. There were no statistically significant differences in microbiological quality among produce types. Although the results of this study provided some indices of sanitary and/or spoilage level, no relationship was observed among the total aerobic bacteria, total coliforms, E. coli, and the presence of pathogenic bacteria in the samples tested.

Marwa Zaatari, Atila Novoselac, Jeffrey Siegel Building and Environment 100, 186-196, (2016):

Different ventilation strategies can have an enormous impact on both exposures to contaminants of concern (COCs) and energy use in retail buildings. We applied a multi-contaminant model of an area-normalized retail store, and developed estimates for distributions of model inputs. We then used these distributions in a Monte Carlo simulation for six cities to compare the impacts of the ASHRAE 62.1–2013 ventilation rate procedure (VRP), demand controlled ventilation (DCV), and indoor air quality procedure (IAQP), with or without using a high particulate efficiency filter. Results showed that for cities where outdoor PM2.5 concentration is low, adopting the IAQP with low efficiency PM2.5 filter in grocery stores and the VRP with high PM2.5 efficiency for non-grocery stores yielded the greatest exposure benefits. For cities with high outdoor PM2.5 concentration, adopting the VRP with high PM2.5 efficiency for all store types yielded the greatest exposure benefits. However, these exposure benefits also caused an increase in energy consumption, and the magnitude depends on the city's climate, outdoor PM2.5 concentration and the retail store type. We propose a new pollutant exposure control ventilation (PECV) strategy, where ventilation rates are weighed against exposure to different COCs, and the ventilation rate that is most climatically advantageous is chosen.

We explore the value of recently released workplace geographies and accompanying census-based workplace zone statistics (WZS) and an associated classification of workplace zones (COWZ). We consider how these data could support retailers in their operational and strategic decision-making, including the evaluation of retail demand and retail store performance in localities where trade is driven by non-residential demand. In collaboration with major UK grocery retailer The Co-operative Group we explore the relationship between workplace population composition and store trading characteristics using a series of case study stores within Inner London. We use empirical store trading data to identify store and product category level temporal sales fluctuations attributable to workplace populations. We also use census-derived flow data to identify the spatial origins of workplace population inflow. We identify that store performance exhibits characteristics attributable to demand driven by these populations. We conclude that workplace population geographies, WZS and the COWZ afford considerable potential for understanding drivers of store performance, observed store trading patterns and evaluation of retail store performance. We suggest that the next step is to build these populations and their micro geography spatial and temporal characteristics into predictive models and evaluate their potential for store performance evaluation and location-based store and network decision-making within this sector.


Facing the risk of being perceived as old-fashioned and outdated, luxury brands need to seek novel ways of providing brand experiences while reaching out to both existing and new target groups. This study investigates the effectiveness of pop-up brand stores at addressing this challenge in the context of luxury retail. Analyzing survey data from 345 visitors of two luxury car brand pop-up stores in the US and in the UK, the study finds that pop-up brand stores' hedonic shopping value, store uniqueness, and store atmosphere increase consumers' word of mouth intentions (WOM) towards the brand. Brand experience mediates the effect of these pop-up brand store characteristics on WOM. Finally, while the link between hedonic shopping value and WOM is stronger for low levels of brand familiarity, store uniqueness exerts a stronger effect on WOM in case of high levels of brand familiarity.


To build family traffic in-store and develop spending, retailers offer educational workshops and events targeted at children. Understanding how to create value for children in order to create retail patronage intentions is necessary, but has barely been studied. This paper aims to explore the nature and benefits of these edutainment experiences for children and their potential effects on the child-retailer relationship through ethnographic investigation. The study provides evidence that children enjoy acquiring consumer knowledge and consumer attitudes autonomously by taking on an active role as consumers. Edutainment experiences endorse a positive vision of "fun power", as a new type of child influence on adult purchasing. They determine long-term orientation in child-retailer relationships.

The use of Radio Frequency Identification (RFID) as a tool for improving shelf replenishment processes in stores has attracted the interest of several retailers. However, the performance of RFID-based inventory control policies is influenced by a variety of design choices, technology characteristics, and external influences. The present simulation study aims to analyze and discuss the impact that these factors exert on the economic efficiency of RFID. We consider policies for RFID tagging on both the item level and the case level and compare these to a traditional replenishment process using periodic reviews. Our model incorporates shelf stock information generated by RFID and accounts for imperfect read rates and technology-specific costs. Our results indicate that significantly different sensitivities to cost and time-related factors, demand rate, and read rate must be considered when choosing a particular policy. Moreover, we discuss the consequences of model extensions and additional constraints on process performance. The results support both researchers and practitioners in the modeling and implementation of RFID-based inventory control systems.

Muhammad Arslan, Rashid Zaman GRIN Verlag, (2015):

The objective of this research is to determine the relationship between brand image, service quality and price on consumer purchase intention. Normative and informative susceptibility has indirect effect on consumer purchase intention. The empirical analysis were determined by collecting data from sample of 301 consumers of large retail stores. The findings of study reveal the positive effect of brand image and service quality on consumer purchase intention. Results reveal the insignificant relationship between price and consumer purchase intention. The findings also documented that consumers in large retail stores don’t bother prices because consumers consider that the stores charge reasonable prices. Most of consumer’s purchases depend upon the brand image and service quality. Normative and informative susceptibility have positive effect on brand image. The recommendations and suggestions are very helpful for managers and operators of large stores. Brand image depends on informative and normative susceptibility.


This paper analyses the influence of fashion retail store lighting on the brand classification and brand personality. Four different interiors with four specific light scenes were combined to form 16 different scenes. The fashion retail stores include stereotypes for low budget, colour, black box and minimalism, and lighting scenes with general lighting, vertical illumination, accent lighting and projection. The results revealed that the lighting had an impact on the brand classification with regard to the factors of social status and value orientation and on the brand personality with regard to the factors of temperament, competence, attractiveness and naturalness. The economic analysis of price perception in relation to investment or operating costs does not show significant correlations.

Shenbagasuriyan and Balachandar (2016):

Tried to find out the type of retail sectors and place where customers buy the product and to analyze kind of products that customers purchases in a particular retail sector. They took the sample of 160 consumers.
Questionnaire was used for collecting the data. They applied the chi square test to find the association between type of retail sector and customer buying the products and association between customers buying the products and kind of products they purchase in the store. They found that there is association between type of retail sector and customers buying the products. They also found that there is an association between customer buying the products and kind of products they purchase in the store. They found that 28.8% customers make purchase twice per month, 26.2% customers purchase weekly, 18.1% customers make purchases at least three times a week, 14.4% customers make purchases monthly, 12.5% customers make purchases occasionally. They also found that 13.8% customers visit the store below one month, 23.8% customers visit one to three months, 20% customers visit three to six months, 12.5% customers visit 6 to 1 year, 30% customers visit the store above 1 year. They found that consumers are not aware about the organized retail stores. They prefer to buy from street stall nearby their house. They suggested that retail stores should be promoted and there must be control of state government over these retailers.

**Kumar Ravi and Devi Anita (2015):**

The purpose of this study was to evaluate the consumer perception towards organized and conventional retail store and to study the effectiveness of point of purchase advertisement and displays in organized and conventional retail stores. They set the hypothesis. They took the sample of 200 respondents which were selected by stratified random sampling method. They applied descriptive analysis to study consumers perception towards organized and conventional stores and z test to study the effectiveness of point of purchase advertisement and displays in organized and conventional retail store. They found that there is no much difference between consumer's perception towards organized retail stores and conventional retail store. They also concluded that point of sale advertisement and displays are more effective in organized retail stores than conventional retail stores.

**R Shashikalar and J Gangatkar (2015):**

Tried to compare and contrast the consumer perceptions towards supermarkets and provisional stores. They studied provision stores as well as supermarkets in India particularly in Bangalore. They framed the hypothesis. They took the sample of 100 respondents. Convenience sampling techniques was adopted. They found that while grocery quality, price, proximity, hygiene are important factors than services, ambience, store image, variety and availability.

**Hameed (2015):**

Objective of this study was to identify the determinants of customer satisfaction in the organized retail stores. The other objective was to assess the attitude, loyalty, satisfaction and behavior of consumers towards retail stores and future prospects of organized retail stores. They took the sample of 52 consumers and convenience sampling techniques was used. A close ended structured questionnaire was used to collect primary data. They used statistical mean and z-test. They framed the hypothesis. They found that store layout must be favorable for high level of satisfaction, for high level of loyalty brand must focus on customer relationships. They also found that less queue and welcoming staff positively affect services quality and accuracy.
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UNIT – 3

OVER VIEW OF STUDY

UTILISATION OF RETAIL STORES:

A store which is well-organized and spacious provides better sales because people like to shop in places where they don't have to struggle much to find what they need. A well-organized store also helps you to cut cost as you don't have to keep the main salespersons to assist your customers in looking for products they want.

Retail space management is a process of using the space available in the store effectively. The management of space is important as a retailer is required to display a large number of products in limited space available in store. Space management is not a difficult process to understand. In simple words, space...
management is a process of utilizing store space to attract more and more customers and providing them a pleasing shopping experience because one cannot deny that only a happy customer can bring more sales.

Customer would not want to waste a single square meter of retail store when customer know that the retail stores have rented that place. Customer would want to use every available space in the store to get the maximum return on investment. Effective retail space management requires customer to ask the following customer to worker before start allotting space to products of different categories.

**IMPORTANCE OF RETAIL STORE MANAGEMENT:**

- Retail store management is important to increase sales.

Planning available space in the store helps you to increase sales. Having an understanding of the space available in the store helps you to decide the layout of your store and location of different categories of products. It is essential for a retailer to divide the right amount of space available on shelves to the different categories of products.

It will be difficult for a retail manager to place all products and provide them sufficient space if they don’t understand the space available in the store and he might end up allotting extra space to one category of product that he might not get enough space for a few categories of products to display. There are chances that the category of products which generate maximum space might not get enough space to display.

No retail manager would want low-yielding products taking up maximum shelf space available in store. This can largely impact the income generation. In addition to this, you might end up investing more for buying less yielding products, and your hard-earned money will be wasted in buying excessive inventory and maintaining it rather than amending your store to increase sales.

- **CUSTOMERS CAN EASILY FIND THE PRODUCTS THEY NEED:**

Nowadays, customers don’t only come to store to buy things they need, but they also come to destress themselves. Just think customer they will feel if they can’t find things they want to buy easily. There are chances that they would prefer to visit a nearby store with a better organization, or they would order the things that they want to buy online.

He would expect to locate all the products easily and in less time. By organization, store properly and by allotting proper space to each product and placing them at the right place on the shelf will help customer to find them easily and without getting frustrated. Poor retail space management will give you more and more unsatisfied customers with constantly dropping sales. However, proper logical categorization of products will help your customer to locate the things they want to purchase easily without wasting any time.

- **IT IS HELPFUL IN CONTROLLING THE RUSH IN THE PEAK HOURS:**

Choosing an effective layout for store is important as it will not only help to keep store well organized but will also keep the rush moving during peak hours of a day.
Just imagine that difficult it would be for customer to handle retail store if it is always overcrowded. Proper space management will let choose the most sold categories of products and distributing them around the store so that customer can avoid cluttering in one corner of the store. Retail stores come of different sizes.

It would be unwise to planning copying the layout design of one store that has maximum sales in town without considering space available in store and the categories of products want to sell in retail store.

**Types of Merchandise Which Occupies Retail store Space:**

To be able to decide where and how to place the merchandise product want to sell depend on the type of merchandises.

Here, customer will learn about four different types of merchandise which are sold in a store.

1) **DEMAND PRODUCTS:**

Demand products are those products which are regularly bought by your customers or the products which are consumed regularly. For example, bread, eggs, milk, etc. are the kind of products that are bought and consumed regularly by customers and they can't live without them. Such products are part of the daily life of customer.

Demand products should be placed at the last of retail store so that when customers try to reach them, they have to cross the whole store while searching for them. By making your customers walk through the store can tempt them to buy one or two additional products from the store.

2) **IMPULSE PRODUCTS:**

The products of this category are not bought with planning. People buy these products just because they look good or have tempting price tags or attractive offers on them. Customer must have seen fragrant candles near the cash counter. These candles are the perfect example of impulse products. Stores usually place products like candies, chewing gums, chocolates, etc. near the cash counter. People buy these products impulsively while checking out their goods.

These things are not on the shopping list of buyers, but they buy these products because they are placed there. Impulse products should be placed near the cash counter or near the products (like demand products) which are bought frequently.

3) **CATEGORY PRODUCTS:**

People make a lot of brand comparison for the products under the category products. For example, when people buy a laptop or mobile phone, they usually do a lot of research before making a purchase decision. People make a buying decision based on how that brand makes them feel.

Take the example of Apple company. When people buy “iPhone,” it makes them feel that they are richer and have status in society. To make the maximum sales of this category of products store should place a few brands that your customers would want to buy.

4) **SPECIALTY PRODUCTS:**
Now, this category of products in retail store’s specialty. People come to retail store to buy these products, especially. The good thing about these products is that there are no brand comparison alternatives for customers to choose from. People will find out on their own product is a specialty product. Customer don’t have to make extra efforts to be able to get located in the market. Specialty products should be placed in a prominent area of the store.

Effective management of retail stores consider the following points

- **LIFE OF PRODUCTS ON THE SHELF:**

  The space on shelves should be allocated to products based on their shelf lives. For example, a product with a short product life should not be placed on the top of a shelf.

- **CATEGORIES OF PRODUCTS:**

  This is the most important factor for deciding the space allocation. Products can be of different categories such as profit builders, traffic builders, star performers, and space wasters.

  Customer would certainly not want to waste much space on space waster products, and maximum and premium space should be allotted to profit builders and star performer products and traffic builder products should be distributed evenly in the store to avoid congestion.

- **ADJACENT PRODUCTS:**

  The next important decision a retail manager is required to take “which products should be placed adjacent to one another so that sales can be increased.

- **SIZE, SHAPE, AND WEIGHT OF PRODUCTS:**

  These are important factors that a manager needs to consider while placing products on the shelf. For example, it would be poor space management place heavy products such as a bottle of cooking oil on the topmost shelf.

- **FREQUENCY OF PURCHASE:**

  There is a certain category of products which are frequently bought by customers, and customers usually come in a hurry to buy such products. The example of such products will be toilet paper. Toilet papers should be placed at the bottom of the entry shelf. So that people can easily find them without making many efforts.

**Different Layout design for Retail store management:**

The different layout design is used for different types of stores. Let us learn about them one by one. However, products such as kids’ diapers, soft toys can be placed on the top shelf because of their heavy size.

- **FREE LAYOUT:**

  As the name suggests, the free layout does not follow a proper design or fashion and is usually used when there are large space and fewer products to display. For example, the free layout is a suitable design for
luxury stores and fashion stores. Using this layout, worker are not guiding customers to follow a particular fashion. Instead, you are giving them liberty wander in retail store. customer don’t impose any rules on them. The free layout is the best way to showcase the creativity. However, don’t forget to add proper signs and window display wherever required so that your customers don’t feel lost.

The free layout encourages interaction between salespersons and customers. Salespersons help customers to make a shopping decision and also offering them other products available in the store to make more sale.

- **GRID LAYOUT:**

Grid layout is the most common type of layout used by retail stores. in a grid layout, products are displayed in a very predictable manner. So that customers don’t have to make much efforts to look for products. customer will see this type of layout in stores such as pharmacy stores, convenience stores, grocery stores, etc. The main reason behind using grid layout is to display maximum product categories without leaving any empty space in the store.

In grid stores, items which are bought by customers impulsively are placed near the cash counter, and staple products such as milk and bread are placed at the end of the store to encouraging more sale.

- **LOOP LAYOUT:**

Loop layout is a closed layout where the customer starts at one end of the store and can exit store after going through all the merchandise available in store. This type of loop is suitable for stores which sell a few categories of products. For example, a loop layout is good for a wine store. So that customers can have a look at all the wines available in the store before making a final purchasing decision, loop layout helps you understand the pattern of traffic in-store, and there are fewer chances that customers can bump into each other.

- **HERRINGBONE LAYOUT:**

Herringbone layout is a substitute for Grid layout for the store has long and narrow retail space. This type of layout is used most by small hardware stores, libraries, tuck shops, etc. the one major drawback for using herringbone layout is the risk of theft.

As space is congested and provides chances for picking and hiding things. But this can be avoided by installing Cameras.

**Steps used to use retail storage space efficiently:**

- the first step would be to measure the total space available in the store, such as its size and shape.
- Make the division between selling and non-selling area in the store. The non-selling area can be used official use, customer support area, cash counter, etc.
- Choose a layout for the store. A layout can be selected on the basis of size and types and number of merchandises to be sold in the store.
- Make a diagram which will contain information which merchandises should be placed at what place and which categories of products should be placed adjacent to one another.
- Determine how much space should be allocated to merchandises by referring to the history of sales of the products. Decide much space should be allocated to the billing area on the basis of the expected crowd in the store.
- Decide on the location of all products within a single category of products. This will help customers to locate products easily and quickly.
- Make the use of irregular corner of your store properly and with careful planning. As this space in the store can be used effectively to display large or products of irregular shapes. Leave space for promotional activities such as window display etc.

RETAILING MEANING:

The word retailing is derived from the French word retailer meaning to cut a peace off or to break bulk. In simple terms it implies a first-hand transaction with customer.

The word Retail is derived from a French word the prefix re and the verb trailer meaning to cut evidently retail trade is one that cuts off smaller portions from large lumps of goods. It is a process through which goods are transported to final consumers. In other words, retailing consists of the activities involved in selling directly to the ultimate consumer for personal, non business use. It embraces the direct-to-customer sales activities of the producer whether through his own stores by house-to-house canvassing or by mail-order business.

Manufacturers engage in retailing when they make direct-to-consumer sales of their products through their own store (as Bata corona shoe companies, D.C.M. stores, Mafatals and Bombay dyeing) by door-to-door canvas or mail order or even on telephone. Even a wholesaler engages in retailing when he sells directly to an ultimate consumer, although his main business may still be wholesaling.

A retail is a merchant or occasionally an agent or a business enterprise, whose main business is selling directly to ultimate consumers for non-business use. He performs may marketing activities such as buying, selling, grading, risk-trading, and developing information about customers wants. A retail may sell infrequently to industrial users, but these are wholesales transactions, not retail sales. If over one half of the amount of volume of the business comes from sales to ultimate consumers, i.e, sales at retail he is classified as a retailer, Retailing occurs in all marketing channels for consumer products.

Retailing involves a direct interface with the customer and the co-ordination of business of business activities from end to end-right from the concept or design stage of a product or offering, to its delivery and post-delivery service to the customer. The industry has contributed to the economic growth of many countries and is undoubtedly one of the fastest changing and dynamic industries in the world today.

AN OVERVIEW RETAIL INDUSTRY:

All over the world, retailing is undergoing a process of evolution and is posh to undergo dramatic transformation. With special reference to India, the retail sector over 10 percent of the national work force but is characterized by a high degree of fragmentation with over 5 million outlets, 96 percent of whom are very small with an area of less 50 m2. The retail universe double between 1986 and 2006 and the number of outlets per 1000 people at an all India level increased from 4.9 in 1988 to 14.8 in 2006. Because of their small
size, the Indian Retailers have very little bargaining power with manufacturers and perform only a few of the flows in marketing channels unlike in the case of retailers in developed countries.

The consumer grocer or the kirana store is a key element in the retail in India due to the housewives unwillingness to go long distances for purchasing daily needs. Although convenicence and merchandise for purchasing daily needs. Although convenience and merchandise were the two most important reason in the choice of groceries and fruit outlets, chemists and life style iteams while merchandisewas indicated as the most important in durables, books and apparel.

In recent years, there has been a slow spread of retail chains in some formats like super markets, departments stores, malls and discount stores. Factors facilitating the spread of chains are the availability of quality products at lower prices, improved shopping standards, convenient shopping and display and blending of shopping with entertainment and the entry to industrial house like Goenkas and Tatas into retailing.

Thailand is one of the countries whose economy has developed rapidly in recent years. There has been a tradition of independently owned outlets called shop houses. These outlets are run by families, with the shop located on the ground floor and the families living quarters on upper floors. Thailand’s first departmental store opened in 1956 and the first shopping centre in 1967. Discounts and super stores were introduced in 1989. However, the presence of supermarket format has been low due to ingrained habit of buying fresh produce. Specially stores were just emerging in Thailand in mid 1990s.

Another country where the development of the retail sector has also followed an interesting path is Brazil. The concept of the self service in shopping was introduced to Brazil retail sector. Food retailing especially, contained to be Brazilian owned and managed although international were adopted. The number of intermediaries in marketing channels is decreasing as the operation of wholesalers in under threat from the direct contact between retailers and suppliers, although few specialized distributors have emerged who provide value added services such as distribution of frozen and chilled food.

RETAIL MAKETING:

The retail scenario in India is unique. Much of it is in the unorganized sector, With over 12 million retail outlets are less than 500 square feet compared to US figure of 16 square feet. India’s per capital retailing space is thus the lowest in the world. With more than 9 outlets per 1000 people, India has the largest number in the world. Most of them are independent and contribute as much as 94 percent to total retail sales.

The growth and development of organized retailing in India is driven by two main factors-lower prices and benefits the consumers can’t resist. According to experts, economies of scale drive down the cost of the supply chain, allowing retailers to offer more more benefits to the customer.

The retail business in India in the year 2007 was Rs. 1540000 and a study conducted by McKinsey says it is estimated to go up to Rs.6080000 by 2025. One expects that the share of organized retailing will be in the vicinity of 20 percent by then.

India is evolving rapidly into a competitive marketplace with potential targets consumers in the niche and middle class segments. The market trends indicate tremendous growth opportunities. Global majors too are showing a keen interest in the Indian retail market. Over the years, international brands like Marks &
Spencer, Samsonite, Lacoste, McDonalds, Swarovski, Dominos Shoprite, Lemarche, among a host of others have come into India.

Large Indian companion companies like Reliance Retail, A.V.Birla Retail, Essar Telecom Retail, Future group, Shoppers stop group, tata, Goenka among many others like wadwan, DLF, are investing heavily in this industry. The largest chain, Subhiksha, has some 760 outlets across India, while Big Apple aims to have 100 of its 7-Kleven-style convenience stores in Delhi alone by the end of the year 2008. Relience Retail, a division of Indias biggest conglomerate and arguably the most favorable player in the retail market, plans to invest Rs.264 billion to open outlets in 784 cities across the country soon.

PROSPECTS OF RETAILING IN INDIA:

A survey conducted by FICCI (Federation of Indian chambers of commerce & Industry) and price water house coopers predicted that the Indian retail store will undergo a sea change in size as well as format during this decade. Today, many Indian organized retailers have launched many of their formats. Pantaloon Retail has ventured into home electronics, fashion, wellness and beauty, books and music, e-retailing, etc. in addition to their key formats of food and grocery and department store retailing. Similarly, Shoppers stop also has expanded their format base to hypermarket, airport retail books and brand ventures such as mothercare.

It is opined that in the next five years India should have retail entities strong enough to complete with the best in the world. Formats such as department store, hypermarket, supermarkets and specialty stores are finding increasingly greater acceptance with the Indian consumers while the emergence of malls in India as a destination shopping concept has even broken through to the second-rung cities of the country.

India is more attractive than ever to global retailers. According to AT Kearneys global retail development Index 2007 (GRDI), India is the most attractive retail destination for global retailers. India has topped the list for then third year in succession. The annual AT Kearney GRDI ranks thirty emerging countries on a 100-points scale-the higher the ranking the more is the urgency to enter the market.

The growth in India retailing provides jobs to roughly 15 percent of employable Indian adults, and is the biggest contributor to Indias GDP after agriculture. The growth potential of the industry is such that retailers associations of India (RAI) estimates that the sector would require almost 2.2 million people to be employed in retail by the year 2010. Considerig such opportunities, one needs to take look at the organizations and institutes offering retail education and training in India. The biggest task for organized retail organizations is to recruit knowledgeable, skilled and trained staff to handle their operations. So to stay of the todays competitive and challenging retail world, ne must be properly equipped and trained.

KEY DRIVERS OF RETAILING IN INDIA:

- **Consumer Pull:**

In the pre-liberalization supply-led market, the power rested clearly with the manufacturers. In today’s demand-led market, it the consumer who calls the shots. Over the last decade, there has been a significant evolution in the Indian consumer, mainly due to the liberalization of the consumer goods industry that was initiated in the mid-eighties and accelerated through the nineties, combined with a growing consumerism
driven by the media, new opportunities and increasing wealth. Although this change is most noticeable in the metros, it has affected consumers in smaller town as well.

- **Rising Incomes:**

  Over the past decade, India’s middle-and high-income population has grown at a rapid pace of over 10 percent per annum. Though this growth is most evident in urban area, it has also taken place in rural markets. Further, the number of households earning above Rs. 150,000 per annum is about 80 million today and is expected to grow to 200 million by 2015. This growing high-income population is triggering the demand for consumer goods, leading to the proliferation of higher quality/higher priced products.

- **Expansion of Media:**

  There has been an explosion in media as well during the past decade. Kick-started by the cable explosion during the Gulf War, television has accelerated to a point where there are more cable connections than telephones in Indian homes, and about more than 100 channels are being aired at all times. This media bombardment has exposed the Indian consumer to the lifestyles of more affluent countries and raised their aspiration and expectations from the shopping experience – they want more choice, value, service, experience and convenience.

**Change in Consumer Behaviour:**

The urban women today is literate and, in many cases, employed. There is greater work pressure and increased comminuting time. And with a shift in the family structure, nuclear families have become a significant component of urban markets. There has been a change in shopping behaviour in urban India over the past few years with consumers looking for convenience. That is, they want everything under one roof and a bigger choice of products. With an increase in double-income households, people do not have much leisure time and seek the convenience of one-stop shopping in order to make the best use of their time. They also look for speed and efficiency. Increased awareness has also meant that consumers now seek more information, variety, product availability, better quality and hygiene as well as increased customer service. The concept of “Value for Money” is picking up.

- **Consumerism Cycle:**

  The consumer cycle starts with the industry dictating the market. Eventually over the time, the distributor gains control over the market; at this stage the distributor becomes an important link between manufacturer and consumer. When the market starts developing and expanding its horizons, retailers turn into the vital link in this supply chain. India is entering this stage where retailers control the market. Being the closest link to the consumer in the supply chain, retailers benefit accordingly. Manufacturers spend a lot of money promoting a product, but if it’s not on the shop-shelf, consumers won’t be able to buy it. Manufacturers have also realised that retailers recommendations matter, particularly in smaller towns where retailers are figures of authority or opinion leaders.

- **The Rural Market: Waking Up:**

  The rural market is beginning to emerge as an important consumption area, accounting for ever one-third of the demand for most key consumer durables and non-durable products, In response, manufacturers of
consumer goods – both FMCGs and durables – have begun developing new products and marketing strategies with the rural consumer in mind.

- **Establishment of the Supply Chain:**

  Over the past few years, the consumer goods sector has been transformed by increased liberalization, continuous reduction in customs reduction in customs duty, a shift from quota to tariff – based systems for imports and sophistication in manufacturing, Entry restrictions for multinationals have been removed in nearly all sectors. All this has enabled chain retailers to enjoy better range depth and sourcing options as well as improved average margins. There has been proliferation in the range across all categories, with a simultaneous increase in the supply of products and quality retail space.

- **Emergence of South India as a Hub of Retail Activity:**

  The total retail market in terms of consumption off-take in the four southern states of India- Viz. Tamil Nadu, Andhra Pradesh, Karnataka and Kerala constitute Rs. 4512 billion per annum, and out of that organised retail is expected to be in region of Rs. 427.2 billion. Thus the share of organised retail is around 9 percent of total retailing in South India. The growth of modern retailing happened in the southern part of India much faster than in any other region. It is now estimated that organised retailing in South India is growing at around 35 percent per annum.

- **Entry of the Corporate Sector:**

  In contrast to the situation only about a decade ago, the level of interest in retailing as a growth opportunity has increased visibly now. Many organizations in India that have been for so long dealing directly with the primary distribution channel to reach consumers have today embarked on reaching customers first hand by means of retailing by themselves. ITC has taken to retailing as a serious business proposition and a strategic move. Corporate giants in India like Bharti, Reliance and A.V. Birla have embarked on their retail initiatives. A few others like Tatas and Rahejas who are already into retailing are fast diversifying into retailing embarked on reaching customers first hand by means of retailing by themselves.

- **Expansion of Family-Owned Business:**

  The most successful of these are the 450 crore Viveks, the 40-year old Chennai consumer durable chain, the Rs. 3,558 crore Pantaloons apparel retail business, and Bangalore’s food retailer Nilgris. With the new-age demanding consumer preferring to shop in these big retail chains, traditional ‘bania’ shops will face a difficult time trying to meet consumer expectations. This will make retailing an unattractive proposition for them. The process is likely to be kick-started by grocery trade are the lowest in the business.

- **New Entrepreneurs:**

  The growing attractiveness of the retail trade has begun to attract new entrepreneurs with ideas, and venture capitalists with funds. Subhiksha, an innovative discount grocery chain in Chennai, has expanded to a total of 50 stores in Less than three years in 2003, and is one of the most successful retail start-ups of the recent past with over 700 stores in 2007.

- **Building Chains around Brands:**
Apparel footwear and consumer durable brands have driven the growth of specialty chains and upgraded existing multi-brand outlets. Some like Reebok claim to have entered retailing because of the paucity of suitable multi-brand retailing options. However, many of these are emerging as large retailers (Titan, Madura Garments, Raymonds) today, and appear to be committed to developing their retail business. Thus there is an extension of consumer brand-seeking (Promise, trust, comfort, image) for products to stores.

- **Foreign Retailers Looking for Entry Options:**

The increasing attractiveness of the sector has drawn the interest of a number of global retailers. With the opening up of the economy, more and more MNCs have entered the Indian business arena through joint ventures, franchisees or even self-owned stores. The very first MNC to get into the business was Spencer’s, a tie up between the RPG Group and Dairy farm international.

While forging retailers cannot start operations on their own mainly because of FDI restrictions on the sector, a number of companies, including Tesco, Kingfisher, Metro, Carrefour and Ahold, are exploring entry options. In apparel, Benetton, Lifestyle and Zegna are already in business, and Dairy Farm has a number of retailing joint ventures in India.

- **Technological Impact:**

Technology is probably the most dynamic change agent in the retailing industry. The computerisation of various operations in a retail store-including inventory management, billing and payments as well as database management- widespread use of bar coding, point-of-sale terminals and Management Information Systems (MIS) has changed the face of retailing drastically. Apart from providing the retailers with better and timely information about their operations, the technology also performs such tasks as preventing theft, promoting the store’s goods and creating a better shopping atmosphere. This is done with the help of closed – circuit televisions, video walls, in-store video networks, and other forms of interactive applications-ranging from CD-ROMs to virtual reality – to let customers select and buy products.

They make the customer’s life a lot easier by facilitating the use of credit cards, debit cards and smart cards. Toll-free numbers have brought about a revolution in consumer ordering and feedback mechanisms. These also pave the way for tele-shopping and net-shopping. Emerging technologies also facilitate just-in-time management of certain products within the store.

- **PROJECTED TRENDS IN RETAILING:**

Retail outlets exist in all shapes and sizes-from a “panwala” to a Shoppers’ Stop in India. However, most of these outlets are basic mom-and-pop stores- the traditional “kirana” shops in the locality, which are smaller than 500 square feet in area with very basic offerings, fixed prices, zero use of technology, and little or no ambience. The number of outlets in India have increased from 0.25 million in 1950 to approximately 12 million today. This translates to a growth of 48 times over a certain period when the population has trebled.

The well-known consultancy firm, Technopak has listed ten retail trends in their recent report entitled Retail Outlook 2007. Technopak says that the trends, many of which are already apparent, will be propelled by an unprecedented investment of Rs. 1680 billion over five years into India retail.
QUESTIONNAIRE:

1. Age in years:
   a) Below 20
   b) 20-40
   c) 40-60
   d) Above 60

2. Sex:
   a) Male
   b) Female
   c) Others

3. Type of family:
   a) Nuclear family
   b) Extended family
   c) Joint family
   d) Family by choice

4. Monthly income of the family (in INR):
   a) Below 25000
   b) 25000-50000
   c) 50000-75000
   d) 75000-100000
   e) Above 100000

5. Number of members in the family:
   a) 1 member
   b) 2-3 member
   c) 3-5 members
   d) Above 5 members
6. Have the customersatisfaction:
   a) Yes
   b) No

7. Duration of the retail stores:
   a) 9 Pm
   b) 10 Pm
   c) 11 pm

8. Why the customer purchase products from retail stores:
   a) Better quality
   b) Lower-price
   c) Variety of products
   d) Various brands

9. Customer free space in retail stores for moving around the products:
   a) Small space
   b) Free space
   c) Not free space

10. Customer why people visit the retail stores:
    a) Buying interest
    b) Product interest
    c) Information seeking
    d) General interest

11. Customer perception after shopping at retail stores:
    a) Highly satisfied
    b) Satisfied
    c) Not satisfied

12. Whether that the customer have to wait for a long period of time to make payment at billing a section
    a) Yes
    b) No

13. Customer from which source of information’s make them aware about the products and services available at retail stores:
    a) F.M Radio
    b) Television
    c) Newspaper
    d) Friends & relatives
    e) Internet

14. How often do you visit this store:
15. Whether the restrooms are available in retail stores:
   a) Yes
   b) No

16. How do you feel about customer overall experience at this store:
   a) Satisfied
   b) Very satisfied
   c) Good
   d) Much better

17. Were the items appropriately priced:
   a) Yes
   b) No

18. Did the cashier process the transaction quickly and effectively:
   a) Yes
   b) No

19. In retail store have reasonable return and exchange policies:
   a) Applicable
   b) Not applicable
   c) None of the above

20. What did you like best about shopping at retail store:
   a) Appearance
   b) Price
   c) Quality
   d) Cleanliness

21. How much time did you spend in retail store:
   a) 2 hours
   b) 3 hours
   c) 4 hours
   d) < 1 hour

22. Are our product prices fair and competitive:
   a) Yes
   b) No

23. How would you rate our stores in terms of ease and quickness of shopping:
   a) 10 rating
b) 8 rationg
   c) 6 rating

24. Have you faced any issues in any of our product so far:
   a) Yes
   b) No

25. Are you comfortable and satisfied with the parking facility:
   a) Yes
   b) No

26. Retail store atmosphere and decor are appealing:
   a) Agree
   b) Disagree

27. Have you to recommend retail store to your friends and family:
   a) Yes
   b) No

28. Was it easily for you to find what you were looking for in our store:
   a) Easy
   b) Difficult
   c) None of the above

29. Based on this experience would you return to this store for:
   a) Product
   b) Service

30. Were the customer collects sources of information:
   a) Through advertisement
   b) Through newspaper
   c) Through television
   d) Through friends and relatives
   e) Other sources