

A STUDY ON BIGBAZAR

INTRODUCTION TO MARKETING

The world of today is changing fast. India is no exception. Especially after the opening up of the economy, the pace of change that India and its people are experiencing in their socio-cultural milieu is mind boggling.

India, with its wide diversity, offers a fascinating scope to study the host of changes which developmental activities have brought about in its social and economic fabric. While it is possible to get some estimate of macro changes taking place in India, it is possible to get any accurate measure of the subjective experiences that precede, accompany or follow such changes.

However, the fact remains that the profile of the Indian market is vastly different from what it was five years ago.

Although these changes are difficult to measure at the micro level, nevertheless, they have been of great significance to marketers. Any marketer is keen to closely monitor the changes in terms of numbers and specially to keep regular track of the changing pattern of consumer's aspirations and competitive actions.

With a rising awareness of brands, the discerning buyer is becoming choosy. It is a proven fact that success or failure of any organization today largely depends on its marketing function.

Therefore the question that immediately comes to our mind, what does "Marketing" function include today?

The marketing concept holds that the key to achieving organizational goals consists in determining the needs and wants of target markets, awareness and delivering the desired satisfaction more efficiently than its competitors.

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

“Marketing” is so basic that it cannot be considered a separate function, that is from the customer’s point of view business success is not determined by the producer but by the customer”.

PETER DRUCKER

“Marketing” consists of all activities by which a company adapts itself to its environment creatively and profitably”.

RAY COREX

Marketing occupies an important position in the organization of business unit. Traditional views of the marketing asset that the customer will accept whatever product the seller present to them. In this way the main concern of the producer is to produce without considering the choice or the behaviour of the customer, but this point of view of marketing has now changed.

“Marketing is analysis, organization, planning, and controlling of the firm’s customer imp lining resources, policies, activities with a view to satisfying the needs and wants of chosen customer group as a profit”.

PHILIP KOTLER

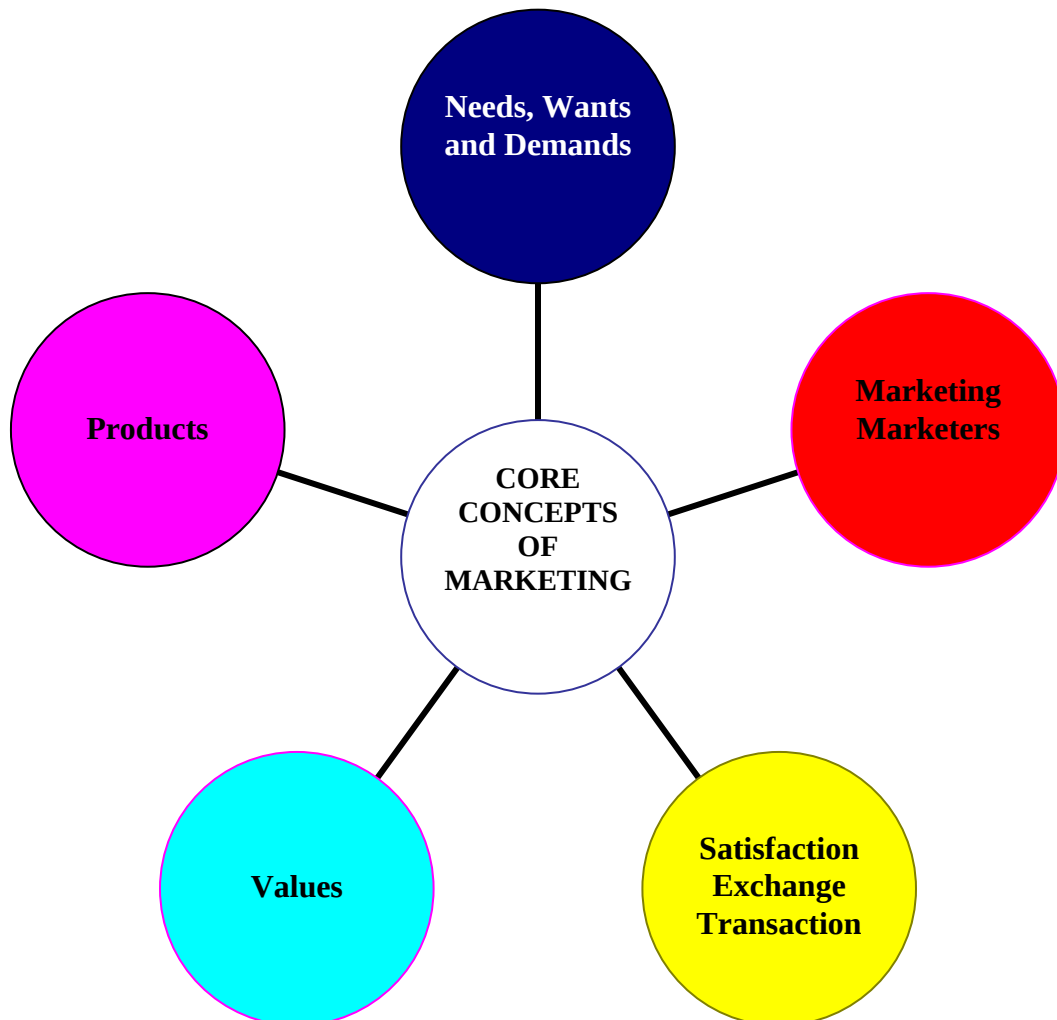
PERCEPTION “A process by which an individual interpret their sensory interprets to give meaning to the external environment.”

STEPHEN ROBBINS

PERCEPTION PROCESS

CONCEPTS OF MARKETING

The core concepts of marketing



Any marketing activity between the consumer and the marketer depends on the following five conditions:

1. There are at least two parties.
2. Each party has something that might be of value to the other party.
3. Each party is capable of communication and delivery.
4. Each party is free to accept or reject the offer.
5. Each party believes it is appropriate or desirable to deal with the other party.

The modern concept of marketing emphasizes that the consumer is at consumer is at the focus of all the marketing and business activities of a firm.

Companies cannot survive today by simple doing a good job. They must do an excellent job if they are to succeed in markets characterised by slow growth and fierce competition. Consumers face an abundance of choices in seeking to satisfy their needs and therefore look for excellence in quality or value or cost when they choose their suppliers. So, consumer plays a very important role in buying process. We must know, what is their behaviour? And what influences to behave in such a way?

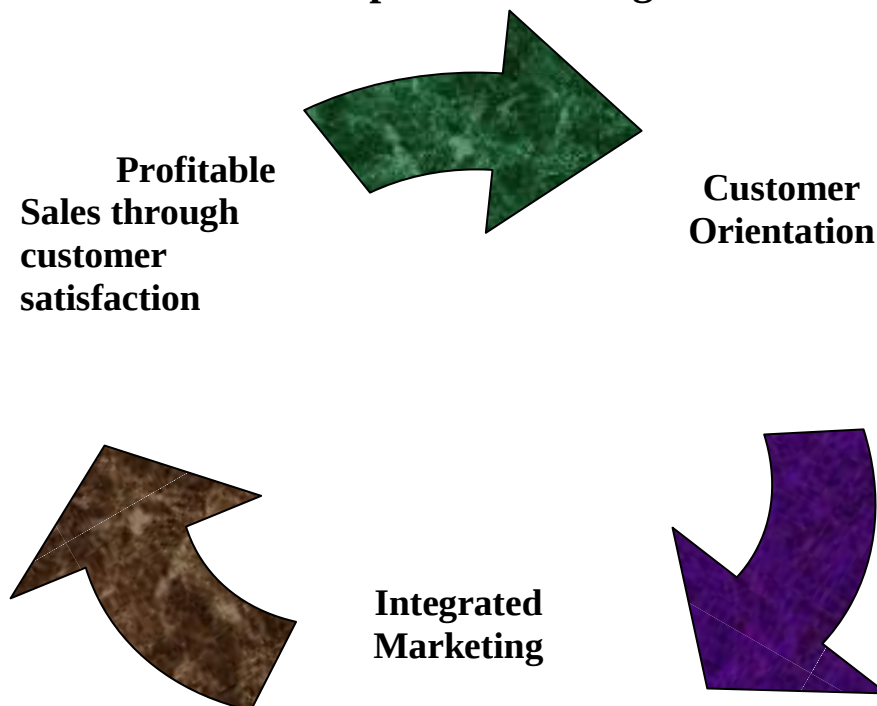
Every marketing activity revolves around the customer. He is the focal point. Consumers purchase a commodity as dictated by their mental and economic forces. Mental forces creates desires and wants and the consumers feel that products offered by manufactures on satisfy those wants but the economic forces may come in the way of satisfying that want, Hence he has to choose between the wants and select the products according to priority consumption.

Consumer's purchases are strongly influenced by cultural, social, personnel and psychological characteristics. Culture is the most basic cause of a person's wants and behaviour.

The marketing concept is built on the premises like:

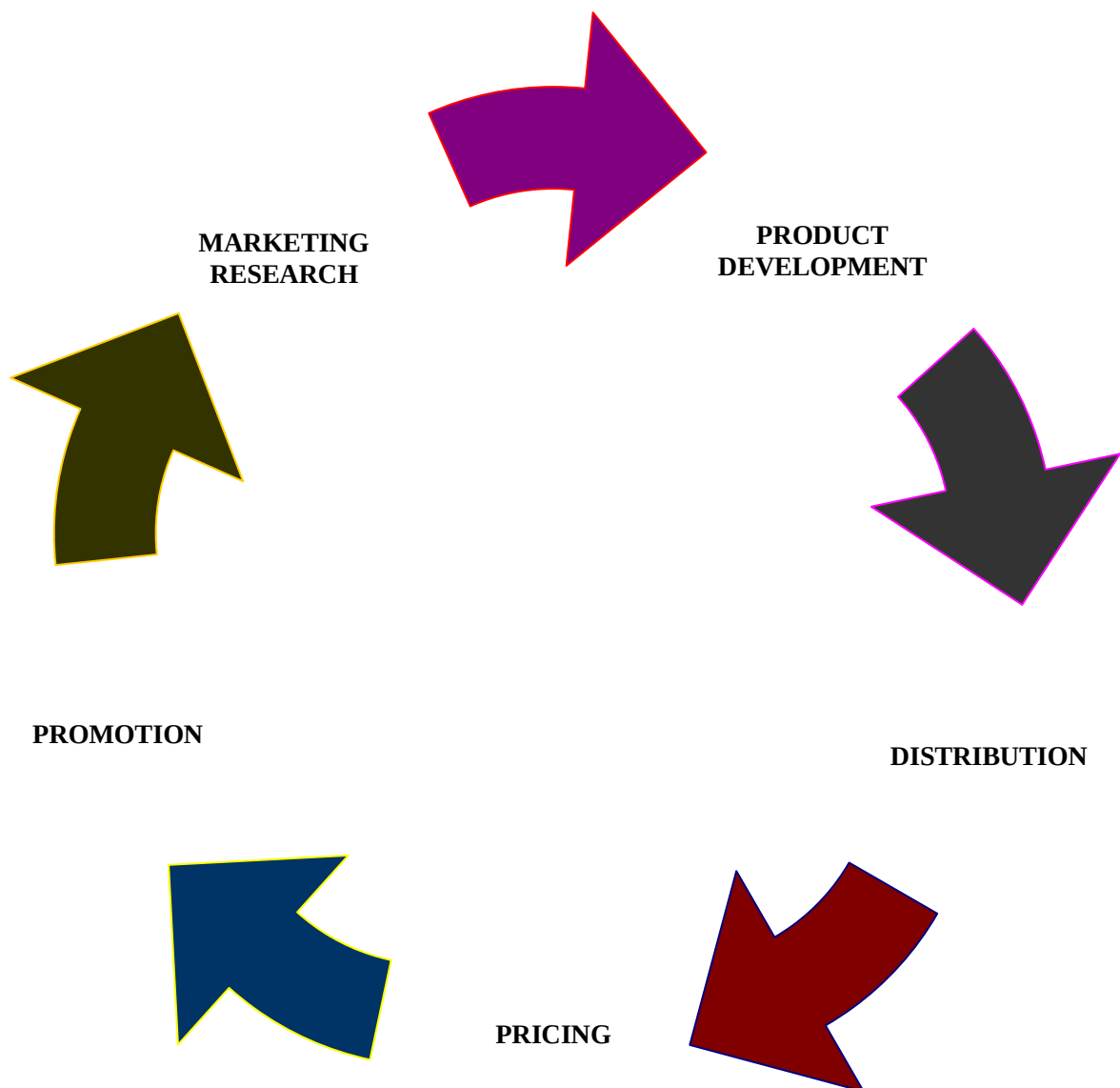
- “Make what will sell instead of terms what you can make”
- “Love the customer and not the product”
- “Customer you are the boss”

In the modern concept of marketing there are three basic features



In the modern concept of marketing, the consumer is the king in the market. Consumer tries to satisfy his wants from different market source, his tastes, fashion a preference also change from time to time, hence the marketing should learn the art of reading the mind of consumer and act accordingly.

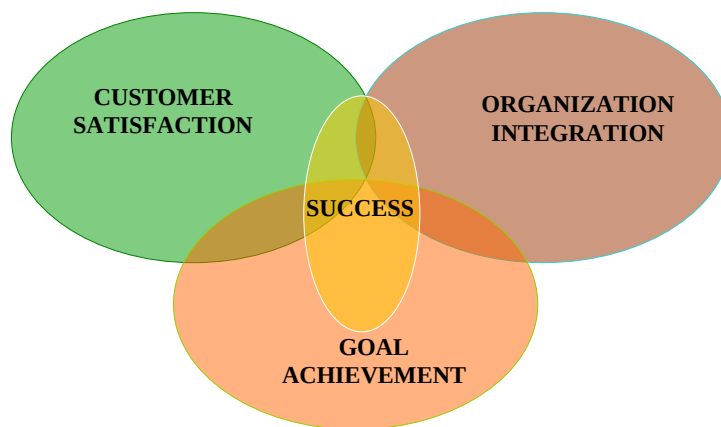
Every growing business engages in five major marketing activities:



In the modern concept of marketing, the calls for customer orientation have been expressed in many different ways; here are few popular slogans to quote:

- “We are Boss, the customer is the Boss”.
- “What the consumer wants, the consumer gets”.
- “The customer is at the top of organization chart”.
- “Look at the company through the customers eyes”.
- “Consumer is the king”.
- “We are to produce what people want, not what we can sell”.
- “Marketing begins with consumer and ends with consumer”.

Marketing concept is made up of three Components.



2 DESIGN OF THE STUDY

STATEMENT OF THE PROBLEM

It is important to know the retail loyalty of the customers with special reference towards FMCG . It is very essential to understand the minds of the customers & to understand why & how they make a particular purchase decision. While change in stores is playing a vital role in a part of consumer purchase decision, where in every firm & its products stand distinctively in its factors like range, availability, location, price, promotion, service etc.

All these above factors influence a customer visiting a retail outlet for making a purchase.

It is important that any retail outlet provides range of different products under one roof with competitive forces involved with it, where customers are considered as kings & are no longer suppressed by the monopolistic acts of a single seller. Today's customer bargains for his right & considers the above mentioned factors before selecting & further building a loyalty towards a retail outlet.

All the factors shall be thoroughly studied with special reference towards retail loyalty among customers. Hence not much empirical research has been conducted by retail organizations on this subject.

OBJECTIVES OF THE STUDY

1. To identify whether **price & promotion** plays an important role in building a loyalty among customers towards a retail outlet.
2. To identify whether customers lay emphasis on the **Personalized Services** of retail outlets in building a loyalty towards them.
3. Up to what extend is the **Quality** of goods is considered by consumers.
4. What is the consumers perception of **FDI** in retail sector
5. What are the important Factors Influencing the stores for their **Expansions** in the existing areas?
6. To under stand better what is the **future of retail market in INDIA**.

SCOPE OF THE STUDY

The study aims to cover the factors contributing towards a loyalty decision of one's own preferred outlet to other retail outlets, which not only helps in understanding the requirements of the customers, but also to identify the requisite services in a particular outlet required to attract & sustain customers which helps in building a loyalty towards the retail outlet.

It also aims at inculcating a habit of loyalty among customers by providing them the personalized services in a retail outlet & by valuing the customer's strong relationship & by keeping them update from all the promotional activities.

Organized retail stores are characterized by large, professionally managed format stores providing goods & services that appeal to the broad customer group, which otherwise was earlier appealed to the small targeted customer group.

Because of the depth of reaching to the customers a number of organized companies are entering into the market. However, in spite of the momentum that the retail segment is experiencing, it is still very nascent & unorganized.

The area of the study is Bangalore City & includes only departmental stores.

METHODOLOGY

The present study is a survey-cum-analytical and empirical one.

To elicit the primary data of the proposed study, questionnaires with structured questions for the respondents shall be considered. The secondary data shall be collected from various internet sites, magazines, company websites & other journals.

PLAN OF ANALYSIS

The collected data will be analyzed with the help of statistical tools & techniques.

Parametric techniques such as averages will be used. Wherever possible to make the presentation effective, tables, charts, diagrams & graphs will be used.

SAMPLING

The sampling procedure adopted in this study is convenience sampling. The present study aims to identify the sample universe & sample units departmental stores operating within Bangalore.

The study proposes to take up 5 retail organizations operating as departmental stores with chain of stores operated within the country.

In each of the proposed sample units, 40 respondents will be considered to know the factors influencing the retail loyalty with special reference towards Quality, Price, and Availability.

Here convenient sampling will be used to pick the sample units & respondents therein. Thus, altogether the study proposes to have 5 sample units & 200 respondents.

LIMITATIONS OF THE STUDY

The proposed study faces few limitations:

1. The outcome of the study depends entirely on the fairness of information supplied by the respondents.
2. In course of time, the findings of the study may become obsolete in view of changes in the customers expectations towards retail outlets.
3. The area of the study is restricted to only Bangalore city, with the assumption that all humans are uniform in their thinking.
4. The interpretation of the study may differ from the actual study; because of only mean being used as a parametric technique in the analysis of the study.
5. Respondent's bias or dishonest answers.

CHAPTER SCHEME:

1. Introduction to FMCG: This is a brief insight about FMCG and super stores, which sells maximum products under one roof.
2. Research Methodology: This covers a how this research is going to be undertaken, it includes the objective, design, scope ad how this study is conducted .
3. Industry profile: This gives a brief insight about the organization. The company profile has a brief description about each and every department in the organization and how the hierarchy is, how its managed.
4. Data analysis and interpretation: It has charts and table which signify the collated data and also it has interpretation and inference of the same.
5. Summary and findings: This has a brief description of what the data or the charts interpret.
6. Recommendations and suggestions: This has a few recommendations as to how to improve the organizational policies and suggestions as to make more profits.
7. Annexure: This includes the bibliography of the books and also the questionnaire used for this study.

3 INDUSTRY PROFILE

HISTORY OF KIRANA SHOPS

Recent indications that the government is considering foreign direct investment in retail trade have sparked off a debate on the advisability and consequence of this policy.

Retail trade takes place through five types of outlets -- kirana shops, more modern retail shops, departmental stores, supermarkets, and hypermarkets.

Kirana shops and retail shops are a feature of our landscape. Every village and town has them. They are usually family-owned and - managed. Most kirana shops store goods unpacked in bulk containers, from which they are measured or weighed out in paper packets by the owner.

Many of them also serve as paan bidi outlets. They take cash but give credit to known customers. As generations pass and villages become small towns, kirana shops graduate into modern retail outlets with shelves and cupboards and packaged goods.

They then begin to store packaged goods and over-the-counter drugs. But at this stage they may give up the paan bidi trade, which gets taken over by dedicated paan shops.

EVOLUTION OF SUPER STORES

As the populations of towns are larger than those of villages, retail shop owners cannot know all customers and therefore credit becomes more selective.

When towns become cities, departmental stores appear. Supermarkets are the next stage in the evolution of retailing. They are viable only in the bigger cities.

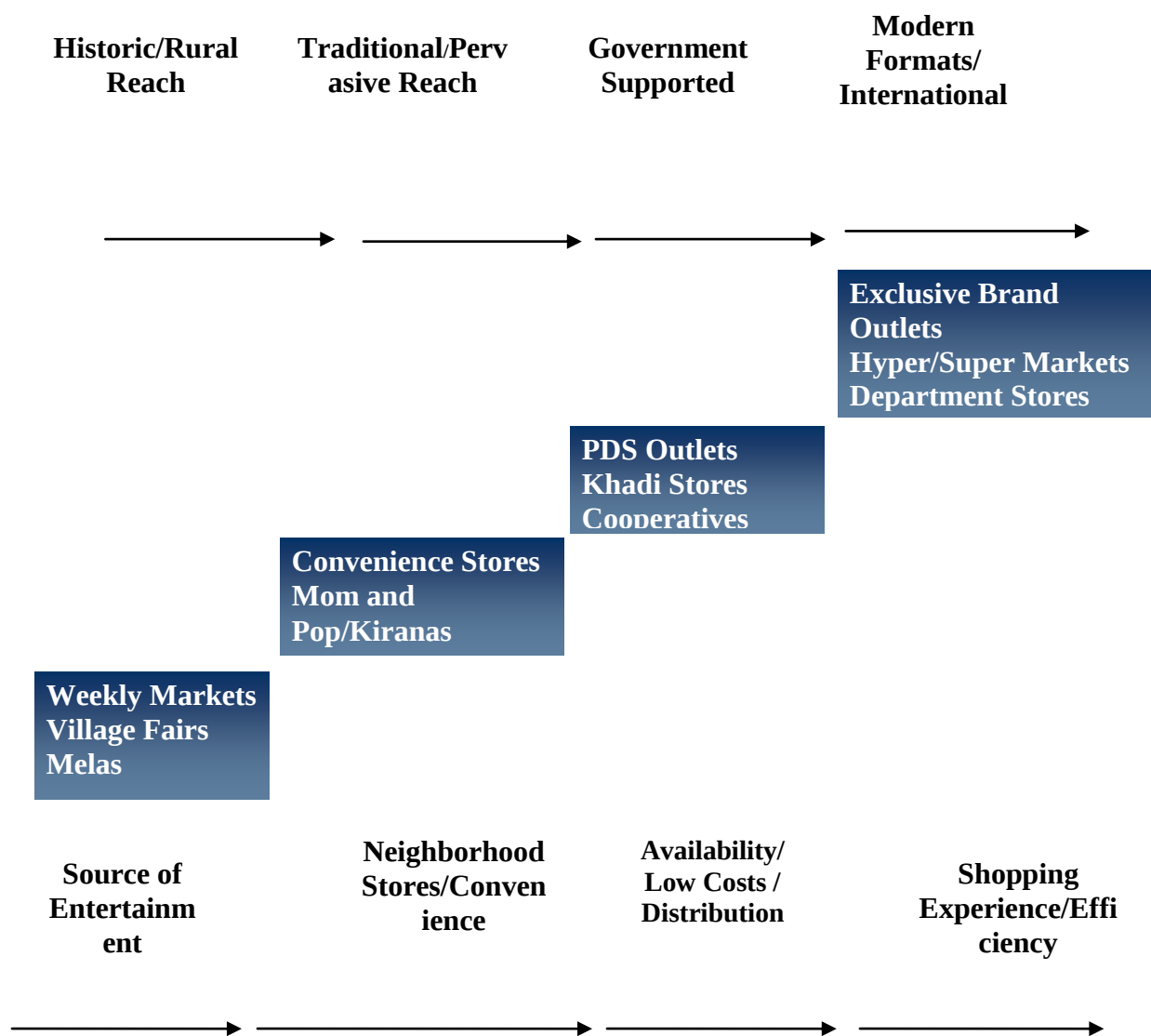
The fear expressed by some people is that allowing FDI in retail trade and the entry of international retailers could lead to a diminution of kirana shops and retail stores.

It is worthwhile analysing the advantages and disadvantages of the proposed policy of allowing FDI in retail trade.

One key point is that we must differentiate between the interests of consumers, who constitute our population of nearly 1,100 million, from the interests of retailers, who may number over one million.

It is obvious that the interests of the consumer should take precedence over those of the retailer.

Evolution of Indian retail



HLL SUPER VALUE STORES

HLL have taken as initiative of providing the customer loyalty towards the stores in rural, urban and cities.

HLL have some selected stores according the required criteria for the stores like space, range location etc and the HLL have renamed those stores as HLL SUPER VALUE STORES . HLL have provided the glow signs, new logo, and banners for this store. Even HLL have taken so many steps of promotion schemes special for this stores.

But as Destiny decides ..HLL couldn't able to succeed in building that chain of stores. for its Ambition of making India's largest retail chain

BIG BAZAAR





Kishore Biyani's Pantaloon Retail is already India's biggest retailer by far. Now , it is targeting revenues of Rs 8800 crore by 2010.He is the man who want to be India's Sam Waiton

With Brands

+ PANTALOONS

+ BIG BAZAAR

+ FOOD BAZAAR

+ CENTRAL



The well established retail empire OF 15,00,000sq ft Area

+ DELHI

+ KANPUR

+ AHMEDABAD

+ BARODA

+ NASHIK

 KANPUR

 NAGPUR

 PUNE

 HYDERABAD

 BANGALORE

 CHENNAI

 BHUBANESHWAR

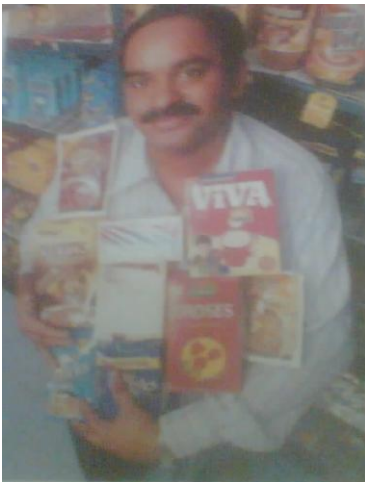
 KOLKATTA

BIGBAZAAR: Firmly positioned as a value chain, Big Bazaar and Food Bazaar focus not so much on consumer comfort as savings. They symbolize Biyani's retail philosophy, which is much on essentially “pile them high and sell them cheap”, like Walmart's Sam Walton once said



SUBHIKSHA

The southern retailer is moving North, But it would have already sold out to Reliance Retail, but for a disagreement over valuation.



R.SUBRAMANIAN /MD/ SUBHIKSHA TRADING SERVICES

FDI IN INDIAN RETAIL

- Metro Group of Germany
Cash-and-carry wholesale trading
Proposal faced strong opposition
- Entities established prior to 1997
- Allowed to continue with their existing foreign equity components.
- No FDI restrictions in the retail sector pre-1997
- Food World
51:49 JV between RPG and Dairy Farm International,
- Leading food retailer in India now
Mc Donald's

WALMART&AIRTEL



Wal-Mart

- **Topmost global Fortune 500 company(3 Consecutive Years)**
- **Annual Sales of over US\$ 250 bn**
- **India's two largest retail player turnover around US\$ 158 mn (Bata) and US\$ 102 mn (Shoppers Stop)**

WalMart's BETH KECK speaking on behalf of Director of International Corporate Affairs "This is a partnership between equals.it is still early days as we have just begun discussions.So it will be finalized and if necessary revised the share deal and revealed to the press in the coming days. "

This was the statement about the investment in INDIA in JV with AirTel

SPENCERS

Spencer's Retail today, is the largest supermarket chain in India. At Spencer's we have for you an extensive range of products and durables, designed to satisfy all your shopping needs. We are proud today of our 125 stores across 25 cities covering a retail trading area of half a million square feet and an astonishing 3 million customers a month. However, all these figures and statistics would mean nothing if we couldn't put a smile on your face. It has been and will always be our constant effort. No wonder, after more than 100 years, people continue to trust the name Spencer's. And this trust has been the outcome of a consistent high-quality service.



Sanjiv Goenka /VC/RPG enterprises

“We are looking at 1900 food stores (110 today) and an investment of Rs 1000 crore over the next three years”

Source business today dec 31/2006

TRENT

TATA will never be behind in any sector, also have good hold in the retail sector. Forwarding with West Side & Land Mark as good back up support and. It might also bring in Tesco



This Venture Is Headed By NOEL TATA



METRO

Born in Germany and following the Paths of the dictator Hitler to concord the retail market in the world. After its launch in India in 2003 with the most biggest stores ever in Bangalore. Metro have started its 3rd and 2nd expansion in India at none other than HYDERABAD.

As for the available sources METRO is planning for the expansions in 42 cities.



PROBLEMS FOR FDI

Wal-Mart meets opposition even before it arrives India usually waits for foreign investors to set up shop before taking to the streets in Opposition – as companies like Coca-Cola (KO) and Kentucky Fried Chicken have discovered in the past. But Wal-Mart's (WMT) reputation precedes it to such an extent that protests have started even before it opens up. There were small but vocal street demonstrations when Michael T. Duke, Wal-Mart's vice chairman, visited India in February to look at retail prospects.

Last week's opposition became more vocal when Wade Rathke, a leading United States-based anti-Wal-Mart activist, came to oppose the company opening a wholesale business – showing how protest groups have gone international to fight globalization.

Wal-Mart was selected at the end of last year by Sunil Mittal, founder and chairman of Bharti Enterprises, India's leading mobile phone company, to be his partner in a country-wide wholesale-retail venture. He had intended to link up with Tesco of the UK, but Wal-Mart offered a more impressive and faster investment rollout.

Rathke heads a U.S. community organizations' group called Acorn, whose activities have included opposing Wal-Mart's entry into Florida. He told a conference of traders and political organizations last week that he wants to "stop the corporate hijack of Indian retail," and said the government should introduce blocking legislation that would catch big Indian-owned retail companies as well as foreign direct investment (FDI) by Wal-Mart and others.

This has broadened what was previously a straightforward debate over the role of FDI to include Indian retail companies that, up until now, have been encouraging opposition to FDI in order to buy time to build their businesses. Foreign retailers have been banned since the mid-1990s from directly investing in Indian stores, though franchise partnerships with local firms and wholesale (cash-and-carry) operations, have been gradually permitted. The restrictions historically stem from politicians' fears of upsetting 15 million small mom-and-pop shopkeepers who account for 97 percent of \$250-300 billion a year sales.

Opposition has been strengthened in the past couple of years by the big Indian businesses, and this has been backed by Communist-led leftist political parties. Indian companies opening retail stores include three large groups - Reliance, Tata and Birla - while long-established offshoots of two big multi-nationals - Unilever and British American Tobacco - are in distribution. The government wanted to relax the restrictions last year, arguing that this would give both consumers and farmers a better deal. Consumers would get improved quality at better prices. Farmers could bypass an inefficient and often corrupt government-controlled distribution chain and sell direct to supermarket chains that would help them grow better quality produce. That should

significantly cut wastage – currently 40 percent of fruit and vegetables sent to urban markets rot on the way.

Kamal Nath, India's enthusiastic commerce and industry minister, virtually promised foreign retailers that they would be allowed in by the end of last year. But the industrial and political opposition increased, and

Sonia Gandhi, president of the Congress Party that leads India's coalition government, called for small shopkeepers to be protected. A government-commissioned inquiry is now looking at the impact of supermarkets, and there is no prospect of Nath being able to relax FDI restrictions, except possibly for electronics and other specialist stores.

This has led Wal-Mart to exploit a policy loophole and plan a wholesale joint venture with Mittal that will provide procurement and logistics services for 100 percent-Bharti owned supermarkets. Tesco and other companies have been looking at similar side-door entries. Wal-Mart is therefore now being attacked for exploiting the wholesale loophole as well as for being an undesirable multi-national.

FUTURE OF RETAIL IN INDIA



RELIANCE FREASH

- Mother of All Launches “ at HYDERABAD”
- All India 1500 locations will be covered
- Backward linkages from China
- Eventually employ around half a million people
- Competitors RPG, Future Group, Shoppers stop
- Investment up to Rs 25000 crore

Kadhim Group also have the plans to start the retail operations soon at the end of 2007

Aditya Birla Group

BRILA'S RETAIL

The latest player in the great Indian retail boom is **Aditya Birla group** led by Kumaramanglam Birla. To implement ideas, you need people, and good people are difficult to come by as any recruiter or head hunter from India will tell you. The Indian retail industry is struggling to find the right people given the paucity of talented people.

The Birla group appear to have got their main HR person according to [DNA:](#)

“Heading human resource at Birla retail is Vijay Kashyap. He was earlier the human resources head of Shoppers’ Stop. Another Shoppers’ veteran who is understood to have crossed floors is Sanjay Badhe. He was in charge of property in his earlier job.”



KUMAR MANGALAM BIRLA/chairman/Aditya Brila Group

The charming , young, and dynamic Indian Entrepruener,
Has also announced plans of entering into retail, but may choose to
operate in selected cities/categories. just the same, has big investment
plans.

AB group have recently acquired the leading local retail giant in the
TRINETRA.

LATEST NEWS Brirla's eye on PYRAMID.



A BATTLE OF EQUALS

Reliance and Bharati-Wal-Mart have more or less equal strengths. let's see....what does destiny decide.....

AMBITION

Reliance

Mukesh Ambani doesn't believe in being #2 in any industry. He will want to build the biggest and most successful retail empire in India.

Bharati-Wal-Mart

Sunil Mital is the #1 in telecom and has teamed up with the world largest retailer, which will want leadership in India as well.

FINANCIAL MUSCLE

Reliance

The group, which has about rupees 1,01,563 crore in annual revenue and the market cap of Rs 1,76,659 crore. Dec. 8, has announced plans of investing Rs 25,000 crore in retail. No one doubts Reliance's ability to raise money.

Bharati-Wal-Mart

Its revenues are much smaller at Rs 11,760 crore but boasts a market cap of Rs 1,20,000 crore. With Wal Mart backing it in retail, the combine could easily match, or exceed, Reliance's investment plans.

CAPABILITIES

Reliance

Has superlative project management skills , and has hired the top-notch retail professionals to run with various retail verticals. With WalMart in ,likely move with greater speed over the next one year.

Bharati-Wal-Mart

Bhrati already caters to 30 million customers for the mobile , While Wal-Mart operates 6400 stores world wide,playing host in 176 million customers every week.Also runs the world's largest pvt IT network to connect to its stores and suppliers.

ENVIRONMENT MANAGEMENT

Reliance

Has tremendous clout within the political system,and is well considered with almost all parties.

Bharati-Wal-Mart

Sunil mital's father, Sat Paul Mittal,was a congress MP,and the mittal family continues to have the goodwill of the congress party,although mittal has friends in BJP as well.

THE INDIAN ADVANTAGE OF FDI IN RETAIL

- India ranked 5th in the Global A.T Kearney Retail Development Index
 - Second only to China in Asia
 - Least saturated of all global markets studied
 - The least competitive of all global markets studied
 - Implies lower barriers of entry for global players
 - Considering tremendous market size, excellent potential for foreign players
-
- India ranked 3rd in the Global A T Kearney FDI Confidence Index in 2004
 - Improved from Rank 6 in Year 2003

WHY FDI IS GOOD FOR INDIA

FDI in retail and the development of larger stores and supermarkets have the following advantages from the point of view of consumers:

FDI will provide access to larger financial resources for investment in the retail sector and that can lead to several of the other advantages that follow;

The larger supermarkets, which tend to become regional and national chains, can negotiate prices more aggressively with manufacturers of consumer goods and pass on the benefit to consumers;

They can lay down better and tighter quality standards and ensure that manufacturers adhere to them.

Many consumer goods manufacturers will find that supermarkets account for

an increasing share of their sales and will be afraid of losing this valuable and reliable customer to competition.

The fact that a well-known chain of supermarkets sources from a manufacturer becomes a stamp of quality.

With the availability of finance, the supermarkets can invest in much better infrastructure facilities like parking lots, coffee shops, ATM machines, etc. All this will make shopping a pleasant experience.

The supermarkets offer a wide range of products and services, so the consumer can enjoy single-point shopping.

The argument that the advent of FDI and supermarkets will displace a large number of kirana shops is similar to the argument used during the era of industrial licensing, which was meant to protect small-scale industries. But eventually the inefficiencies and quality standards of the protected small-scale companies become apparent even to socialist politicians and licensing was abolished.

Small-scale industries have not died. Instead, they have learnt to co-exist as suppliers to large-scale industries.

In the case of retail trade, the kirana shops in large parts of the country will enjoy built-in protection from supermarkets because the latter can only exist in large cities.

On the other hand, the ability of supermarkets to demand pricing and quality standards from manufacturers will benefit even kirana shops, who can even buy from the supermarkets to sell the same products in smaller towns and villages.

It can be argued that since the advantages cited above are due to the scale of operations rather than the involvement of foreign capital, why should we allow FDI in retail trade? The case for FDI has more to do with the confidence and willingness to invest large amounts in a short period as well as the expertise based on experience.

Even a modest chain of 200 supermarkets, to be set up all over India in selected towns and cities in the next three years, will require an investment of about Rs 2,000 crore (Rs 20 billion), at the rate of Rs 10 crore (Rs 100 million) per supermarket to cover the infrastructure and working capital.

Each supermarket may take 2 or 3 years before it becomes profitable. There is a risk that a few of them may even fail.

How many Indian entrepreneurs will be willing and able to commit this level of investment and undertake the risks involved? That is where the international experience and skills that may come with FDI would provide the confidence and capital.

Apart from this, by allowing FDI in retail trade, India will become more integrated with regional and global economies in terms of quality standards and consumer expectations.

Supermarkets could source several consumer goods from India for wider

international markets. India certainly has an advantage of being able to produce several categories of consumer goods, viz. fruits and vegetables, beverages, textiles and garments, gems and jewellery, and leather goods. The advent of FDI in retail sector is bound to pull up the quality standards and cost-competitiveness of Indian producers in all these segments.

That will benefit not only the Indian consumer but also open the door for Indian products to enter the wider global market.

It is therefore obvious that we should not only permit but encourage FDI in retail trade.

Just as in the case of most products, the brand name of the supermarket chain is a strong element in its growth and success.

People have confidence in names like Sainsbury, Asda, Marks & Spencer, etc. just as they have confidence in Indian brands like the Tatas and Godrej.

A possible outcome can be that Indian groups with strong local brand quality like the Tatas will collaborate with international supermarket chains like Sainsbury, to set up supermarket chains in India. It will be unwise for a government to interfere in this process.

MORE BENEFITS OF FDI IN INDIA RETAIL

- Improve competition
- Develop the market
- Greater level of exports due to increased sourcing by major players
- Sourcing by Wal-Mart from China improved multifold after FDI permitted in China
- Similar increase in sourcing observed for Metro in India
- Provides access to global markets for Indian producers

Investment in technology

- Cold storage chains solve the perennial problem of wastage
- Greater investment in the food processing sector technology
- Better operations in production cycle and distribution

Better lifestyle

- Greater level of wages paid by international players usually
- More product variety

- Newer product categories
 - Economies of scale to help lower consumer price
 - Increased purchasing capacity of consumers
-
- Manpower and skill development
 - Through retail training and
 - Greater managerial talent inflow from other countries
 - Tourism Development
 - A strong retailing sector boosts tourism as seen from the experience of Singapore and Dubai
 - Investment in whole supply chain
 - Improved product basket from India for exports
 - Long term benefits
 - Up-gradation of agriculture
 - Development of efficient small and medium size industries

BENEFITS TO GOVT

- ❖ Increase employment levels
 - FDI would result in market growth and expansion
 - Employment generated at various levels
 - Increased consumer demand implies employment generation across the value chain
 - Does not need very high skill sets
 - Needs high school graduates and other similar skill levels
 - Currently this is a majorly unemployed demographic group
 - Boom in employment
 - Similar to job generation in ITES industry
 - On a much larger scale
 - But new jobs comparatively lower down the value chain

HOW IS FDI IN INDIA

- FDI should be allowed in stages

- Initial stages: 26% FDI



- Establishment Phase: 49% FDI

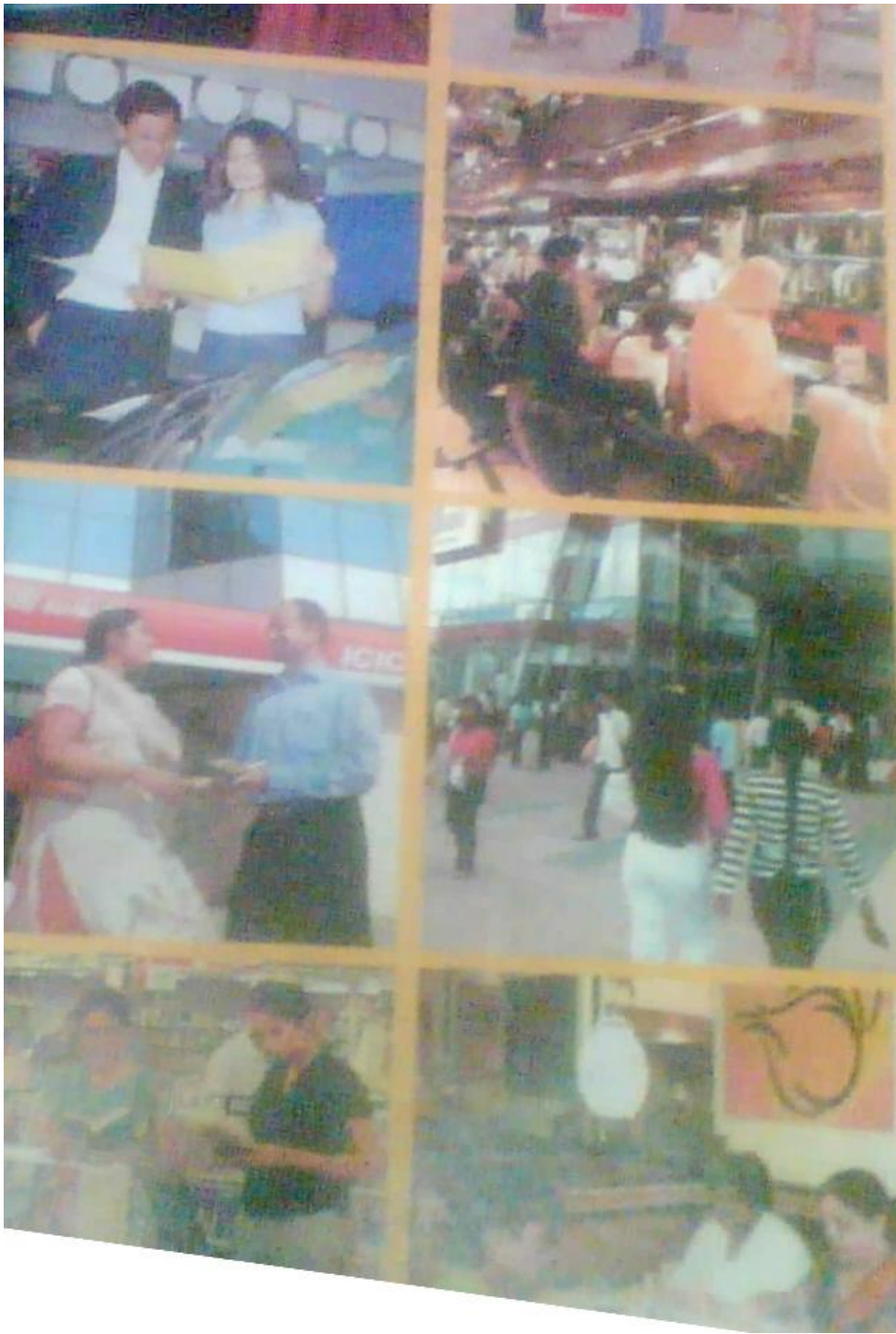


- Mature Phase: 100% FDI



- FDI policy

- No incentives needed to attract FDI
- Market size and potential are sufficient inducers
- No need for costly tax breaks, import duty exemptions, land and power subsidies, and other enticements



4 ANALYSIS AND INTERPRETATION

PART A – FMCG SECTOR

How much do you spend monthly on soaps, detergents, etc? [In Rs]

Table 1

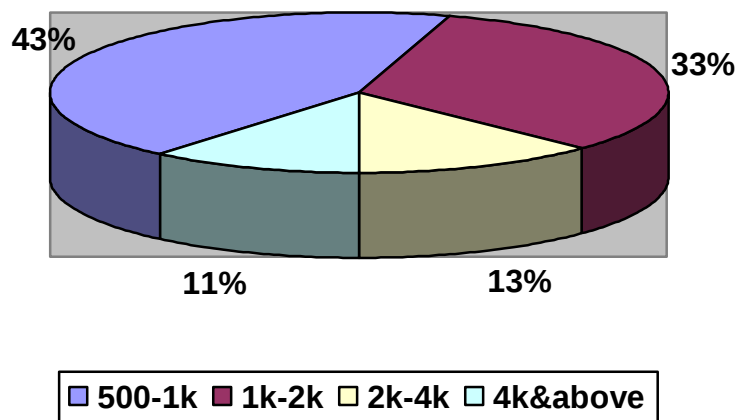
Amount (In Rs)	No of Respondents	Percentage
500-1k	87	43.5%
1k-2k	65	32.5%
2k-4k	26	13%
4k&above	22	11%
Total	200	100%

Analysis : Table 1 reveals that income group respondents will spend 500-1k on soaps ,detergents etc are 43.5% followed by 1k-2k 32.5%,2k-4k 13%, and 4k&above are 11%.

Interpretation : As 500-2k of amount the customer's are spending more on soaps and detergents ,companies should try to get the awareness of premium brands and introduce more new brands .so that company can gain more profit.

Graph 1

Monthly spending on FMCG goods (in Rs)



Which toilet soap do you use?

Table 2

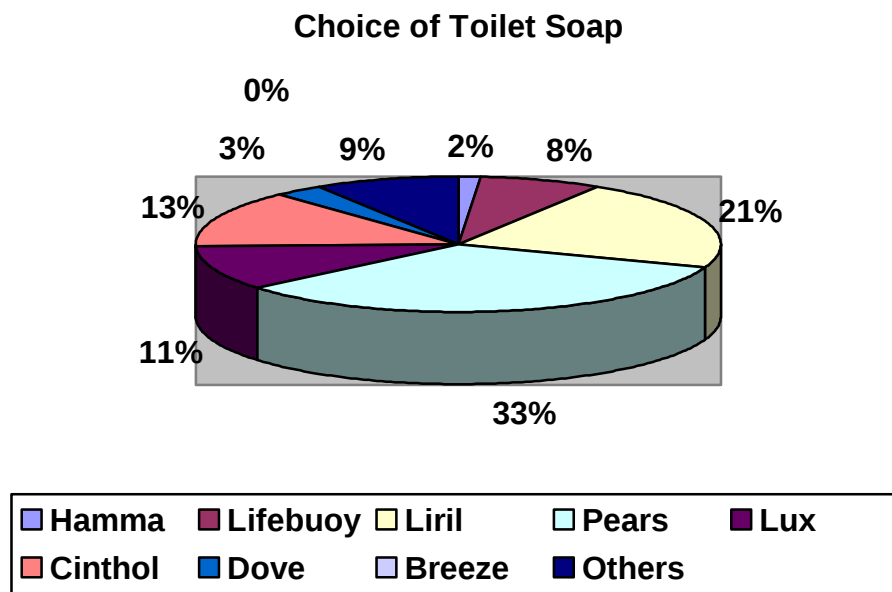
Soaps	No of Respondents	Percentage
Hammam	3	1.05%
Lifebuoy	15	7.5%
Liril	43	21.5%
Pears	67	33.5%
Lux	21	10.5%
Cinthol	27	13.5%
Dove	6	3%
Breeze	0	0%
Other	18	9%
Total	200	100%

Analysis :

According to the study the respondents to the PEARS soap are more than any other brand

Interpretation : Even the DOVE is also a premium brand , they couldn't able to meet the sale and market share of PEARS. Better to re launch the product with reasonable price. And reposition it.

Graph 2



Which detergent do you use?

Table 3

Detergent	Number	Percentage
Surf excel	67	33.5%
Ariel	58	29%
Henko	22	11%
Tide	25	12.5%
Nirma	13	6.5%
Wheel	7	3.5%
Other	8	4%
Total	200	100%

Analysis :

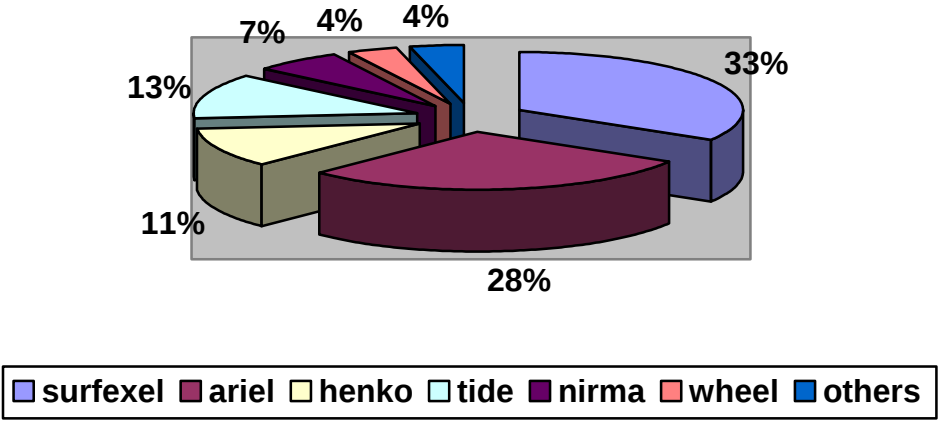
According to the analysis done above SURF EXCEL, is the most favorable brand and followed by Ariel in second place, among the all other brands specified.

INTERPRETATION :

As per the company desired result from the media advertisement, SURF have achieved and sworn as the top brand among the all other brands. it's better if ARIEL could come with new strategies and can competes well with the brand leader i.e. SURF

Graph 3

choice of detergent



Which do you look for when you buy any of the above items?

Table 4

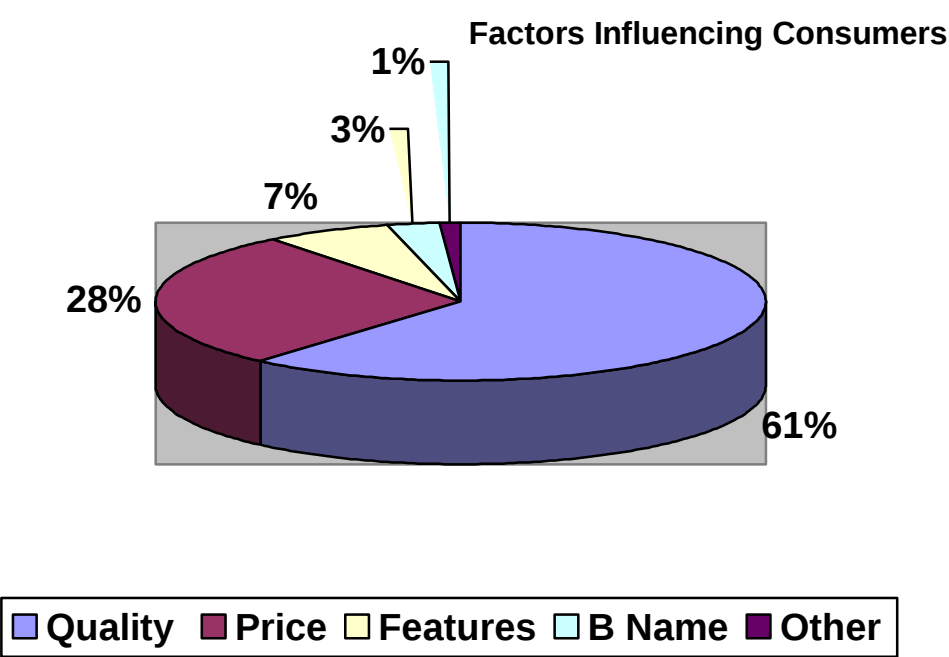
Factors	Numbers	%
Quality	123	61.5
Price	56	28
Features	13	6.5
Brand name	6	3
Other	2	1
Total	200	100

Analysis : As known Quality never fails and leads to the way of success for any brand.

Maximum of the choice of the customers is not the brand image or position or life style, but its none other than QUALITY

INTERPRETATION : Better be behind QUALITY, Success follows.

Graph 4



PART-B (FDI)

Do you know about FDI in retail market in INDIA?

Table 5

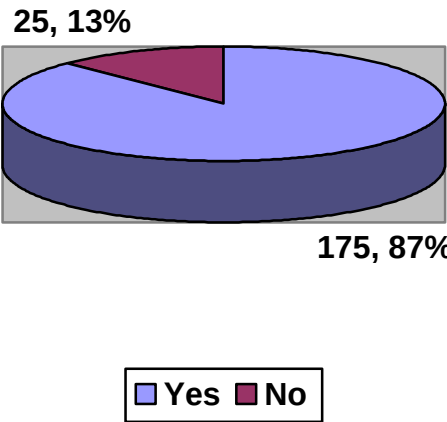
Attribute	Number	%
Yes	175	87
No	25	13
Total	200	100

Analysis : As the modern retail is attracting the maximum no of literates and qualified professional consumers they are well aware of the market happenings .

INTERPRETATION : Modernity speaks in retail too. Better opportunities awaiting for you in retail INDIA.

Graph 5

Awareness of FDI



Do you think it is good for INDIAN Retail Market?

Table 6

TV	Number	%
Yes	76	38
No	52	26
Don't know	72	36
TOTAL	200	100

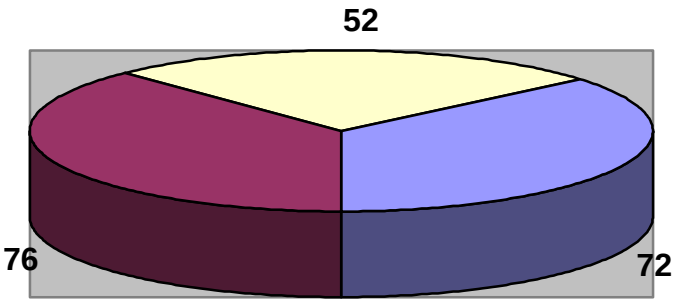
Analysis: As per the findings of the above question, the respondents are un
biased

Towards the warm welcome for FDI in retail market in INDIA

INTERPRETATION : It is clear that the road map for the FDI in Indian retail sector is
very safe and ample mature stage. If you can serve well , you can survive well.

Graph 6

FDI in Retail market in INDIA is good?



YES ☐ NO ☐ DON'T KNOW ☐

Which brand might, do you think will serve you better?

Table 7

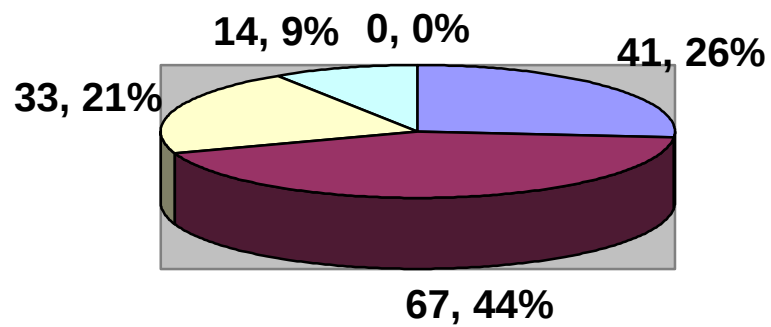
Brand	Number	%
Metro	41	26
Wallmart	67	44
Tessco	33	21
Target	14	9
Dollar shop	0	0
Total	175	100

Analysis : Walmart tops the list, and have made a good perception of Indian respondents, with the reference towards its achived mile stones in other countries.

INTERPRETATION : Walmart even facing lots of problems in getting into Indian retail, there is a very bright future dawn of new market share in India waiting to blossom.

Graph 7

Which Brand may serve you better



Are you satisfied with the performance of the present stores ?

Table 8

Satisfied	Number
Yes	161
No	14
Total	175

Analysis : Maximum no of the respondents are satisfied with the present stores

INTERPRETATION : Even though the respondents are satisfied with the performance of present stores, Satisfactory level increases as per the wants. Indians are always keen to adopt and experiment towards the new strategies of business.

Graph 8



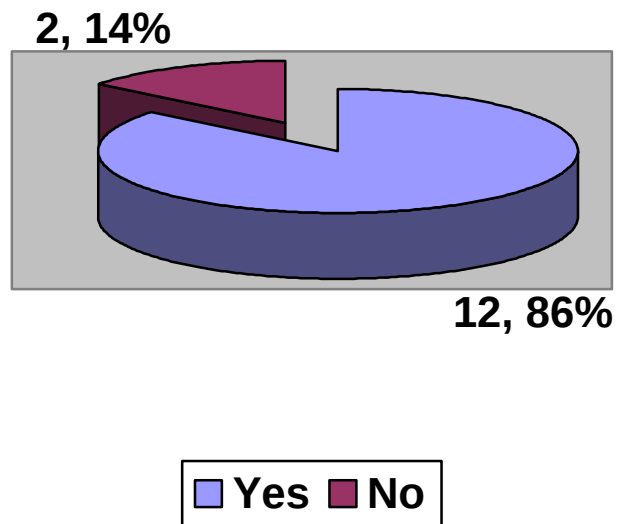
If you are not satisfied would you shift to another brand?

Table 9

Shift	Number	%
Yes	12	86
No	2	14
Total	14	100

Graph 9

Brand Switching Due to Dissatisfaction



What did you look for when you purchased goods?

Table 10

Factors	Number	%
Quality	72	41.4
Price	58	32.8
Features	30	17.1
Brand name	15	8.5
Total	175	100

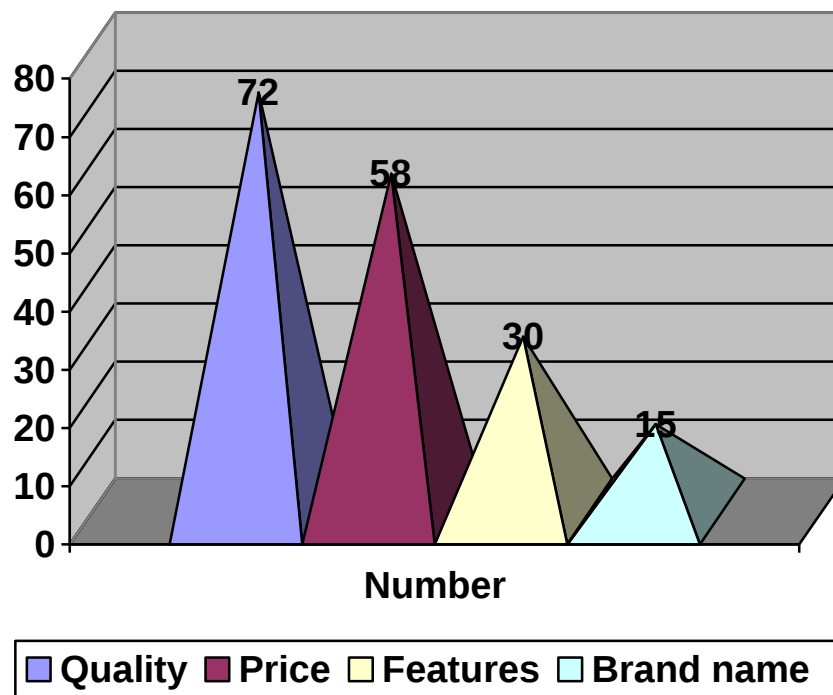
Analysis : As known Quality never fails and leads to the way of success for any brand.

Maximum of the choice of the customers is not the brand image or position or life style, but its none other than QUALITY

INTERPRETATION : Better be behind QUALITY, Success follows.

Graph10

Factors Afecting Purchase of goods



Would you like to give reasons for satisfaction with your present Store ?

Table 11

Reasons	Number	%
Excellent Quality	71	40.7
Better Perfomance	23	13.1
Range Availability	12	6.5
Good Serving	57	32.8
Value for Money	12	6.5
Total	175	100

Analysis : Majority of the respondents are satisfied because of the expected quality of goods from the new generation stores.

Interpretation : As we all are well aware that wants are unlimited .So future coming stores have another segment of consumers which you can target well.

Graph 11



What could be the reasons for being dissatisfied with your present Store?

Table 12

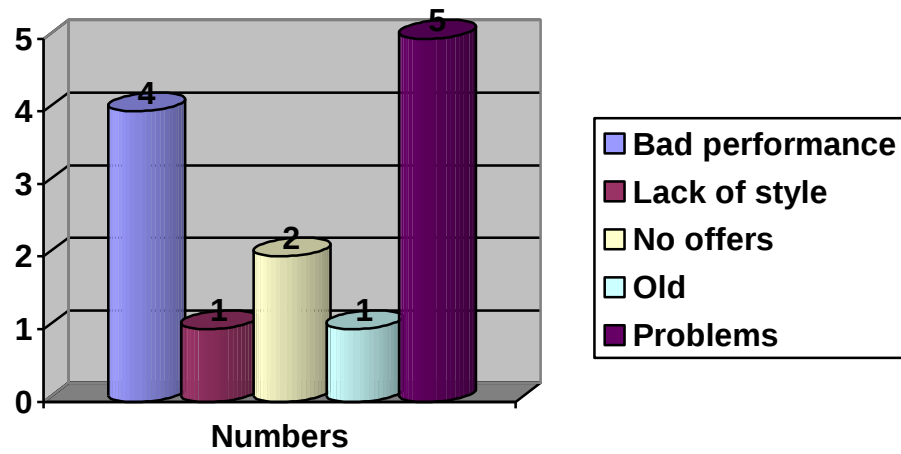
Reasons	Numbers	%
Bad performance	4	2.5
Lack of style	1	8.3
No Offers	3	16.6
Old	1	8.3
Problems	5	33.3
Total	14	100

Analysis : Its proved again that there is no end to the wants of the customers.

Interpretation : This segment are the more aware of the better satisfaction level. If you can grab them definitely you have more chances of generating the delightful customers.

Graph 12

Reasons for dissatisfaction with store



PART C (PERCEPTION)

Do you visit this store regularly ?

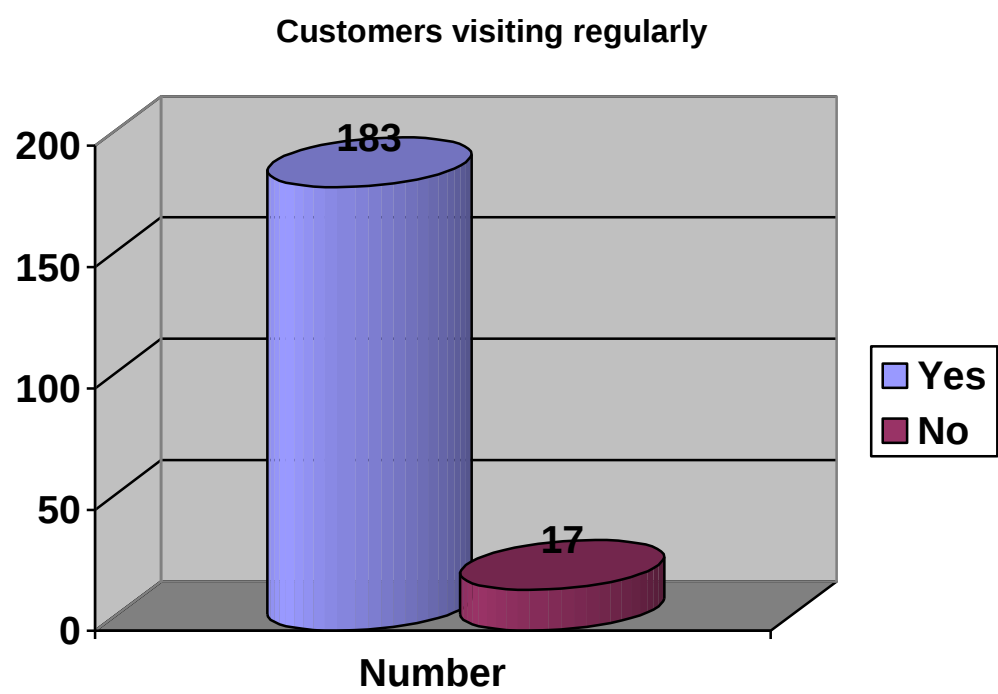
Table 13

Attribute	Number	%
Yes	133	59.5
No	67	40.5
Tot al	200	100

Analysis : Its clear that the store is gaining the loyal customers because of the quality of the goods maintained well.

Interpretation : If you can serve well , you can find maximum no of loyal customers.

Graph 13



If yes why?

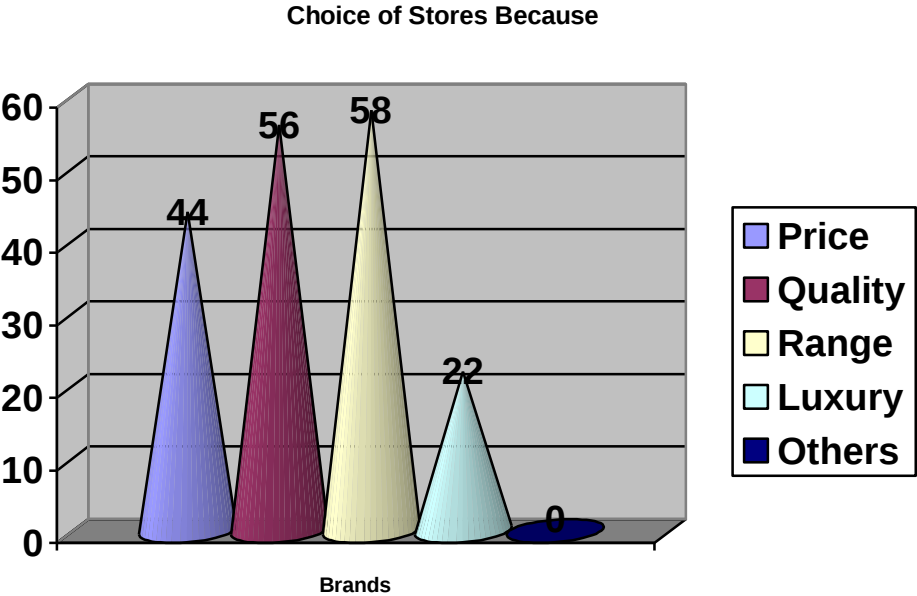
Table 14

Brand	Number
Price	44
Quality	56
Range	58
Luxury	22
Others	0
Total	180

Analysis : As known Quality never fails and leads to the way of success for any brand. Maximum of the choice of the customers is not the brand image or position or life style, but its none other than QUALITY

INTERPRETATION : Better be behind QUALITY, Success follows.

Graph1-14



How do you feel to visit this store ?

Table 15

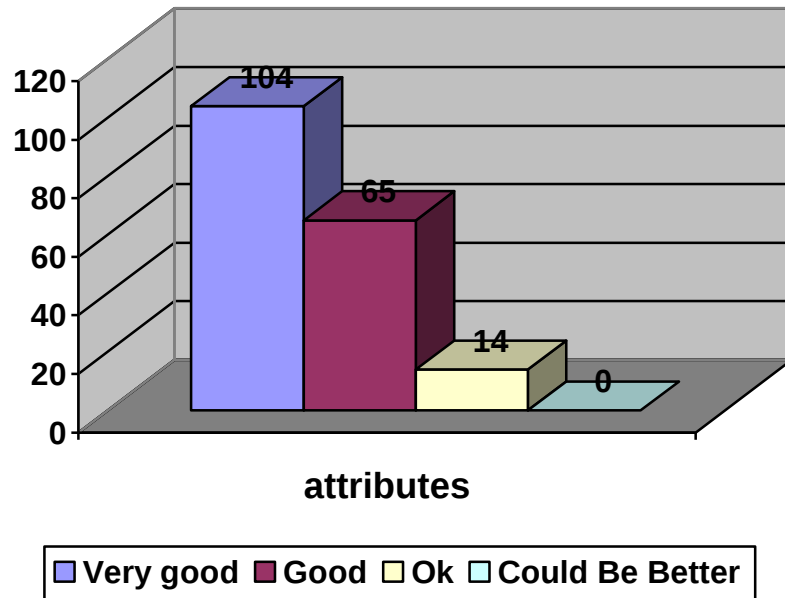
Attributes	Number	%
Very good	104	57
Good	65	35.7
Ok	14	7
Could Be Better	0	0
Total	183	100

Analysis: Customers are delighted and are frequent visitors to their choice of stores

INTERPRETATION : Retaining the targeted customers is one of the major strategy to be followed to gain loyalty towards customers.

Graph 15

Customers view on Visiting the store



Are you very brand loyal with respect to your brand of Goods you buy ?

Table 16

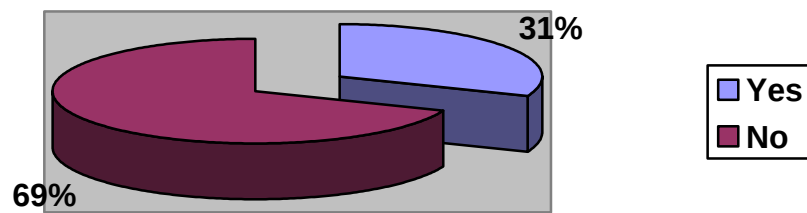
Attributes	Number	%
Yes	57	31.14
No	126	68.85
Total	183	100

Analysis : Brand loyalty is least concern when compared with quality.
Consumers are not so brand conscious

INTERPRETATION : Branding may be the one of the major factor to be concerned with regards to the retail sector. Still quality is playing a vital role in the minds of respondents.

Graph 16

Brand loyalty

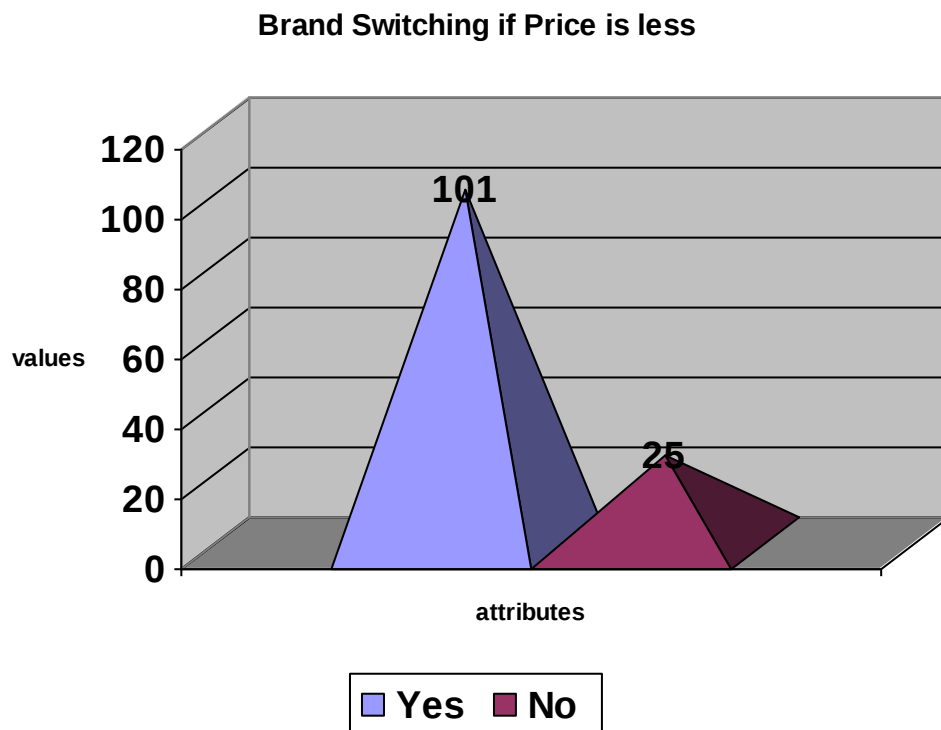


If No, Will you shift to another brand of store if the price is lower for the same quality?

Table 17

Attributes	Number	%
Yes	101	80
No	25	20
Total	126	100

Graph 17



What are the reasons for you to choose a particular brand of Store?

Table 18

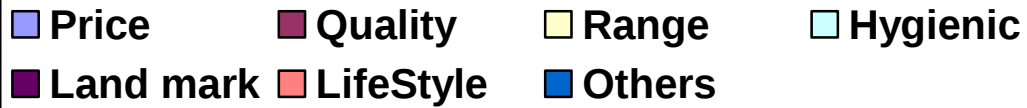
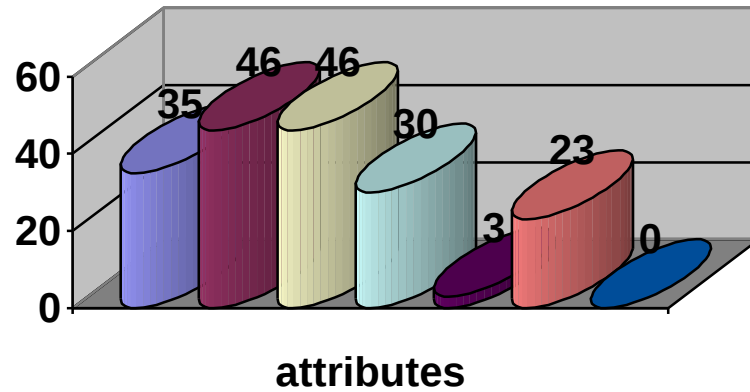
Attributes	Number	%
Price	35	19.6
Quality of goods	46	25
Range	46	25
Hygienic	30	16
Land mark	3	1.7
Life style	23	12.5
Others	0	0
Total	183	100

Analysis : Quality is the top priority followed with availability of range for the satisfaction of customer. To choose their stores.

Interpretation : Selection of the stores is usually done with reference to Quality and range of goods. So these both should be balanced well .

Graph 18

Reasons for Choice of a Store



Are you aware of the company offers, discount schemes while purchase?

Table 19

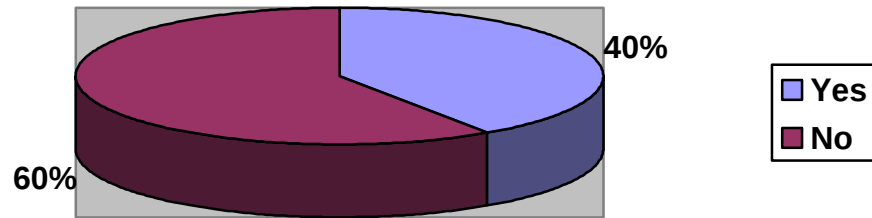
Attributes	Numbers	%
Yes	74	40.4
No	109	59.5
Total	183	100

Analysis : The laymen's are not well aware of the offers and discounts offered from the companies. But they insist on the store offers

Interpretation : The discounts and the offers should be well accounted as per the customer satisfaction level. As well as it should be healthy for the store financial position.

Graph 19

Awareness about offers



Top ranks of the Stores..

Table 20

Ranks	Number	%
1 BigBazzar	68	37
2 FoodWorld	46	25
3.Fabmall	42	23

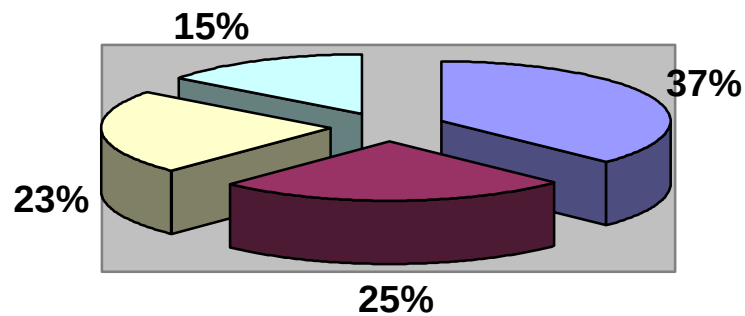
4.Subhiksha	27	15
Total	183	100

Analysis: Till today BigBazaar is enjoying the benefits of the brand leader in the Bangalore city for the FMCG segment .

Interpretation : Better to follow the best marketing strategies to position the store as well as to achieve the desired result and gain the loyal customers.

Graph 20

Top ranks for Stores



■ BigBazzar ■ FoodWorld ■ Fabmall ■ Subhiksha

5findings

- ✓ The monthly spending on soaps and detergents is dependent on the income level of respondents.
- ✓ The disposable income of the average Indian consumer is increasing and his/her purchasing power is increasing.
- ✓ Most of the respondents use Breeze, Pears, and Lux toilet Soaps.

- ✓ Even in detergent segment is having good command over the market.
- ✓ There is a significant difference among the choice of toilet soaps between the two gender categories.
- ✓ Majority of the respondents prefer quality to any other factor when purchasing FMCG products.
- ✓ People are welcoming FDI in Indian retail, a part from govt policies
- ✓ Even the customers are more satisfied with the present super stores, than the kirana stores
- ✓ The core intention of maximum respondents is QUALITY
- ✓ If you serve well, you can survive well.
- ✓ People are expecting more from Wal-Mart.
- ✓ On the other hand local dealers are unhappy with Mukesh Ambani's Reliance Fresh. So there were attacks on the stores in some areas.
- ✓ There is a new Dawn for the retail sector in India .
- ✓ Till 2010 the projected sales could meet up to Rs 1400000 crore.
- ✓ Kishore Biyani's Big Bazaar stands on the top with good competition ahead from Reliance and Wal-Mart.
- ✓ Brand loyalty is least concern when compared with quality. Consumers are not so brand conscious.
- ✓ Customers are delighted and are frequent visitors to their choice of stores
- ✓ Majority of the respondents are satisfied because of the expected quality of goods from the new generation stores.

- ✓ As the modern retail is attracting the maximum no of literates and qualified professional consumers they are well aware of the market happenings
- ✓ Its clear that the stores are gaining the loyal customers because of the quality of the goods maintained well.
- ✓ Very big battle has to begun with Reliance and Wal-Mart.

SUGGESTION & RECOMMENDATION

RECOMANDATIONS

- Grant industry status to retail
- Permit FDI in Retail in phases
- Invest in supply chain infrastructure

- Ease distribution – infrastructure creation, octroi
- Ensure single window clearance for retail chains
- Organize market for real estate
 - Ensure proper rent laws
 - Enforce zoning laws and city development plan
 - Increase land supply
- Ensure flexibility of labor laws
- Quality should never be compromised
- Price also should be biased with range and quality
- People are looking for fun at shopping
- As good as the store is ,it attracts more
- Customer loyalty lies with Quality, Price & Range

7BIBLIOGRAPHY AND ANNEXTURE

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- ✓ www.icfaipress.org
- ✓ www.cnnmoney.com

QUESTIONNAIRE

Dear Sir or Madam:

This data is being collected for academic purposes only. All the information given by you will be kept confidential.

PART – A (FMCG Sector)

(please tick the appropriate box)

1. Gender – Male ☐ Female ☐

2. Age (in yrs)

18-25 ☐ 26-35 ☐

36-45 ☐ 45 and above ☐

3. Monthly income (in Rs)

10,000-15,000 ☐ 15,000-20,000 ☐

20,000-30,000 ☐ 30,000 and above ☐

4. How much do you spend monthly on soaps, detergents etc ? (in Rs)

500-1000 ☐ 1000-2000 ☐

2000-4000 ☐ 4000 & above ☐

5. Which toilet soap do you use?

Hamam ☐ Lux ☐

Lifebouy ☐ Cinthal ☐

Liril ☐ Dove ☐

Pears ☐ Breeze ☐

Others _____ (please specify)

6. Which detergent do you use ?

Surf Excel ☐ Tide ☐

Ariel ☐ Nirma ☐

Henko ☐ Wheel ☐

Others_____ (please specify)

7.Which do you look for when you buy any of the above items?

Quality ☐ Price ☐

Features ☐ Brand Name ☐

Others _____ (please specify)

PART-B (FDI)

8. Do you know about FDI in retail market in INDIA ?

Yes ☐ No ☐ (If yes, proceed)

9. Do you think it's good for INDIAN retail market ?

Yes ☐ No ☐

Don't know ☐

10. Which brand do you think ,will serve you better?

Metro ☐ WallMart ☐ Tescos ☐ Target ☐

Dollar Shop ☐

Others_____ (please specify)

11. Are you satisfied with the performance of the present Stores?

Yes ☐ No ☐

12. If you are not satisfied would you shift to another brand?

Yes ☐ No ☐

13. What did you look for when you purchased goods ?

Quality ☐ Price ☐

Offers ☐ Brand Name ☐

15. Would you like to give reasons for satisfaction with your present Store ?

Excellent quality ☐ Better performance ☐

Range availability ☐ Good Environment ☐

Value for money ☐

16. What could be the reasons for being dissatisfied with your present Store?

Bad performance ☐ It's become old ☐

Lack of style ☐ Lot of problems ☐

No additional offers ☐

Part c (Perception section)

17. Do you Visit this store regularly ?

yes ☐ no ☐

18. If yes why ?

Price ☐ Quality ☐

Range ☐ Luxury ☐

others _____ (please specify)

19. How do you feel to visit this store ?

- a. Very good ☐
- b. Good ☐
- c. Ok ☐
- d. Could be made better ☐

20.Are you very brand loyal with respect to your brand of Goods you buy?

Yes ☐ No ☐

21. If no, will u shift to another brand if the price is lower for the same quality?

Yes ☐ No ☐

22.what are the reason for you to choose a particular brand or Store ?

Price ☐	Quality of the goods ☐
Range choices ☐	Feel of the hygienic ☐
Land Mark ☐	Life Style ☐
Others_____ (please specify)	

23.Are you aware of the company offers, discount schemes while purchase ?

Yes ☐ No ☐

24. Please rank the following Store (1 for the first rank and 7 for the last rank)

BigBazaar ☐	Shoppers Stop ☐
Food World ☐	Fab Mall ☐
Metro ☐	Spencers ☐
Subhiksa ☐	

THANKS FOR YOUR KIND COOPERATION