TABLE OF CONTENTS

LIST OF TABLES

LIST OF GRAPHS

LIST OF CHARTS

Chapter 1

INTRODUCTION

1. A INDUSTRY PROFILE

India retail industry is the largest industry in India, with an employment of around 8% and contributing to over 10% of the country's GDP. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, changing lifestyles, and favorable demographic patterns. Shopping in India has witnessed a revolution with the change in the consumer buying behavior and the whole format of shopping also altering. Industry of retail in India which has become modern can be seen from the fact that there are multi- stored malls, huge shopping centers, and sprawling complexes which offer food, shopping, and entertainment all under the same roof.

The word 'retail' is derived from the French word 'retaillier' meaning 'to cut a piece off' or 'to break bulk'. In simple terms it involves activities whereby product or services are sold to final consumers in small quantities. Although retailing in its various formats has been around our country for many decades, it has been confined for along time to family owned corner shops. Englishmen are great soccer enthusiasts, and they strongly think that one should never give Indians a corner. It stems from the belief that, if you give an Indian a corner he would end up setting a shop. That is how great Indians retail management skill is considered.

India retail industry is expanding itself most aggressively, as a result a great demand for real estate is being created. Indian retailers preferred means of expansion is to expand to other regions and to increase the number of their outlets in a city. It is expected that by 2010, India may have 600 new shopping centers. In the Indian retailing industry, food is the most dominating sector and is growing at a rate of 9% annually. The branded food industry is trying to enter the India retail industry and convert Indian consumers to branded food. Since at present 60% of the Indian grocery basket consists of non- branded items.

A.1 The Facts

Retailing in more developed countries is big business and better organized that what it is in India. Retailing to unorganized in US is around 80 to 20, in Europe it is 70 to 30, while in Asia it comes to around 20 to 80. In India the scenario is quiet unique, organized retailing accounts for a mere 5% of the total retail sector. Although there are around 5 million retail stores in India, 90% of these have a floor space area of 500 sq.ft. or less. The emergence of organized retailing in India is a recent phenomenon and is concentrated in the top 20 urban towns and cities. India retail industry is progressing well and for this to continue retailers as well as the Indian government will have to make a combined effort.

A.2 Industry evolution

- Traditionally, retailing in India can be traced to the emergence of the Corner stores (Kirana) catering to the convenience of the consumers

- Era of government support for rural retail: Indigenous franchise model of store chains run by Khadi & Village Industries Commission

- 1980s experienced slow change as India began to open up economy.
- Textile sector with companies like Bombay Dyeing, Raymond's, S Kumar's and Grasim, saw the emergence of retail chains
- Later, Titan successfully created an organized retailing concept and established a series of showrooms for its premium watches
- The latter half of the 1990s saw a fresh wave of entrants with a shift from Manufactures to Pure Retailers. For e.g. Food World, Subhiksha and Nilgiris in food and FMCG; Planet M and Music World in music; Crossword and Fountainhead in books.
- 1995 onwards saw an emergence of shopping centers, mainly in urban areas, with facilities like car parking targeted to provide a complete destination experience for all segments of society
- Emergence of hyper and super markets trying to provide customer with 3 V's - Value, Variety and Volume
- Expanding target consumer segment: The Sachet revolution - example of reaching to the bottom of the pyramid.
- At year end of 2000 the size of the Indian organized retail industry was estimated at Rs. 13,000 crore

A.3 The Reason

This emergence of organized retailing has been due to the demographic and psychographic changes taking place in the life of urban consumers. Growing number of nuclear families, working women, greater work pressure, changing values and Lifestyles, increased commuting time, influence of western way of life etc. have meant that the needs and wants of consumers have shifted from just being Cost and Relationship drive to Brand and Experience driven, while the Value element still dominating the buying decisions.

A.4 Scope of Indian retail marketing

The scope of the Indian retail market is immense for this sector is poised for the highest growth in the next 5 years. The India retail industry contributes 10% of the countries GDP and its current growth rate is 8.5%. In the Indian retail market the scope for growth can be seen from the fact that it is expected to rise to US$ 608.9 billion in 2009 from US$ 394 billion in 2005.The organized retailing sector in India is only 3% and is expected to rise to 25- 30% by the year 2010. There are under construction at present around 325 departmental stores, 300 new malls, and 1500 supermarkets. This proves that there is a tremendous scope for growth in the Indian retail market.

The growth of scope in the Indian retail market is mainly due to the change in the consumers behavior. For the new generation have preference towards luxury commodities which have been due to the strong increase in income, changing lifestyle, and demographic patterns which are favorable.

The scopes of the Indian retail market have been seen by many retail giants and that's the reason that many new players are entering the India retail industry. The major Indian retailers are:

* Pantaloons Retail India Ltd

* Shoppers Stop

* Bata India Ltd

* Music World Entertainment Ltd

Judging the scope for growth in the India retail industry many global retail giants are also entering the Indian retail market. They are :

* Tesco

* Metro AG

* Wal- Mart

The scope for growth in the Indian retail market is seen mainly in the following cities:

* Mumbai

* Delhi

* Pune

* Ahmadabad

* Bangalore

* Hyderabad

* Kolkata

* Chennai

The scope of the Indian retail market is very vast. And for it to reach its full potential the government and the Indian retailers will have to make a determined effort.

A.5 Indian organized retailing

Retail market in the Indian organized sector is expected to cross Rs 1000 billion by 2010. Traditionally the retail industry in India was largely unorganized, comprising of drug stores, medium, and small grocery stores. Most of the organized retailing in India have started recently and is concentrating mainly in metropolitan cities. The growth in the Indian organized retail market is mainly due to the change in the consumers behavior. This change has come in the consumer due to increased income, changing lifestyles, and patterns of demography which are favorable. Now the consumer wants to shop at a place where he can get food, entertainment, and shopping all under one roof.

Retail market in the organized sector in India is growing can be seen from the fact that 1500 supermarkets, 325 departmental stores, and 300 new malls are being built. Many Indian companies are entering the Indian retail market which is giving Indian organized retail market a boost. One such company is the Reliance Industries Limited. It plans to invest US$ 6 billion in the Indian retail market by opening 1000 hypermarkets and 1500 supermarkets.

Pantaloons is another Indian company which plans to increase its retail space to 30 million square feet with an investment of US$ 1 billion. Bharti Telecoms an Indian company is in talks with Tesco a global giant for a £ 750 million joint venture. A number of global retail giants such as Walmart, Carrefour, and Metro AG are also planning to set up shop in India. Indian organized retail market will definitely grow as a result of all this investments.

Chart 1.1

Chart 1.2

Indian organized retail market is increasing and for this growth to continue the Indian retailers as well as government must make a combined effort.

A.6 Growth factors

The growth factors in Indian organized sector are various but it is mainly due to the fact that India's economy is booming. Also, the rise in the working population which is young, pay- packets which are hefty, more nuclear families in urban areas, rise in the number of women working, more disposable income and customer aspiration, western influences and growth in expenditure for luxury items. All these are the factors for the growth in Indian organized retail sector. Many Indian companies have entered the retail industry in India and this is also a factor in the growth of Indian organized retail sector. Reliance Industries Limited is planning to invest US$ 6 billion in the organized retail sector in India by opening 1500 supermarkets and 1000 hypermarkets. Bharti Telecoms is planning a joint venture worth £ 750 million with Tesco a global retail giant. Pantaloons is planning to invest US$ 1 billion in order to increase its retail space to 30 million square feet. Such huge investments is also a factor in the growth of the organized retail sector in India.

A.7 Growth of Retail Companies in India

Growth of Retail Companies in India is still not yet in a matured stage with great potentials within this sector still to be explored. Apart from the retail company like Nilgiri's of Bangalore, most of the retail companies are sections of other industries that have stepped in the retail sector for a better business. The Growth of Retail Companies in India is most pronounced in the metro cities of India, however the smaller towns are also not lagging behind in this. The retail companies are not only targeting the four metros in India but also is considering the second graded upcoming cities like Ahmedabad, Baroda, Chandigarh, Coimbatore, Cochin, Ludhiana, Pune, Trivandrum, Simla, Gurgaon, and others. The South Indian zone have adopted the process of shopping in the supermarkets for their daily requirements and this has also been influencing other cities as well where many hypermarkets are coming up day to day.

A.8 Reasons for the fast Growth of Retail Companies in India:

The retail companies are found to be rising in India at a remarkable speed with the years and these have brought a revolutionary change in the shopping attitude of the Indian customers. The Growth of Retail Companies in India is facilitated by certain factors like -

- Existing Indian middle classes with an increased purchasing power
- Rise of upcoming business sectors like the IT and engineering firms
- Change in the taste and attitude of the Indians
- Effect of globalization
- Heavy influx of FDI in the retail sectors in India

Quick Stats of Indian Retail

Markets

- Market size (total) 2006: US$ 300 bn/annum
- Market size (total) 2010: US$ 427 bn/annum
- Market size (total) 2015: US$ 637 bn/annum
- Market size (modern retail) 2006: US$ 9-12 bn/annum
- Market size (modern retail) 2011: US$ 60 bn/annum
- Annual rate of growth (modern retail): 35%
- Penetration (modern retail) 2006: 3 to 4%
- Penetration (modern retail) 2010: 10%
- Number of retail outlets (total): 12 million

Investment

- New Investment by 2011: US$ 30 bn

Employment

- No. of persons employed (total): 21 mn
- No. of new jobs in next two years: 2 mn.

Wealth

- No. of dollar designated millionaires in India(2006) 100,015

Retail Space

- Typical space per outlet: 100 to 500 sq.ft.
- Space occupied (modern retail): 35 mn sq.ft.
- Operating Malls 2007: 114 (35 mn sq.ft.)
- New Malls under construction: 361 (117 mn sq.ft.)
- New space distribution: 65% (top 7 cities), 35% (tier II & III cities)
- New space distribution (among top 7 cities): NCR 34%, Mumbai 23%, Rest 43%

A.9 Trends in Present Retail Market:

New Product Categories:

For a long time, the corner grocery store was the only choice available to the consumer, especially in the urban areas. This is slowly giving way to international formats of retailing. The traditional food and grocery segment has seen the emergence of supermarkets/grocery chains (Food World, food bazaar, Apna Bazaar), convenience stores (ConveniO, HP Speedmart) and fast-food chains (McDonalds, Dominos). It is the non-food segment, however that foray has been made into a variety of new sectors. These include lifestyle/fashion segments (Shoppers' Stop, Globus, LifeStyle, Westside), apparel/accessories (Pantaloon, Levis, Reebok), books/music/gifts (Archies, MusicWorld, Crosswords, Landmark), appliances and consumer durables (Viveks, Jainsons, Vasant & Co.), drugs and pharmacy (Health and Glow, Apollo).

Increasing competition in the retail market:

New entrants such as Reliance, Bharti Enterprises and the AV Birla group will compete against well-established retailers, such as Pantaloon Retail, Shoppers' stop, Trent, Spencer's and Lifestyle stores. Foreign retailers are keenly evaluating the Indian market and identifying partners to forge an alliance with in areas currently permitted by regulations. With an estimated initial investment of USD 750 million, Reliance is planning to launch a nationwide chain of hypermarkets, supermarkets, discount stores, department stores, convenience stores and speciality stores. These 5,500 stores will be located in 800 cities and towns in India.

Increase in Private Labels:

With the emergence of organized retail and modern retail formats, private labels have been gaining significance. They enhance the profitability levels of product categories, increase retailers' negotiation powers and create consumer loyalty. More retailers are introducing their own brands in all categories including Food & Groceries, apparel, accessories, and footwear. These own brands also do not have to manage intermediaries since retailers maintain oversight of the supply chain. The label penetration is in a huge rise. Private Label penetration has been on a rise. It is mainly growing among FMCG products in most supermarkets with groceries accounting for 45.9%.

A.10 Formats Adopted by Key Players in India

FORMATS ADOPTED BY KEY PLAYERS IN INDIA

Retailer	Original formats	Later formats
RPG Retail	Supermarket (Foodworld)	Hypermarket (Spencer's, Giant), Specialty Store (Health and Glow
Piramal's	Department Store (Piramyd Megastore)	Discount Store (TruMart)
Pantaloon Retai	Small format outlets (Shopp Department Store (Pantaloo	Supermarket (Food Bazaar), Hypermarket (Big Bazaar), Mall (Central)
K Raheja Grouj	Department Store (Shopper stop) Specialty Store (Crossword)	Supermarket, Hypermarket (HyperCity)
Tata/ Trent	Department Store (Westsid	Hypermarket (Star India Bazaar)
Landmark Grou	Department Store (Lifestyle	< (Max) Hypermarket>
Ebony	Department Store	Quasi-mall, smaller outlets, addin food retail
Crossword	Larger bookstore	Corner shop
Piramyd	Department store	Quasi-mall, food retail
Subhiksha	Supermarket	Considering moving to self servic
Foodworld	Food Supermarket	Hypermarket, Foodworld Express
Metro	Department store	Cash and carry

Others	Discount Store (S Kumar’s, Margin Free, Apna Bazaar), Supermarket (Nilgiri's), Specialty Electronics, Aggregation of Kiranas (Bombay Bazaar, Efoodmart)

Table 1.1

A.11 Fastest growing retail segment

1. Food and grocery retail: The average Indian spends 40% of his monthly salary on food and grocery. In spite of this, organised retail represent less than 1% of the total food retailing business in India, which is currently valued at US$ 145 billion and is expected to grow to US$ 200 billion by 2010. By 2020, India is expected to become the fourth-largest food retail market in the world.

The food retail market is dominated by a large number of independent, family-owned grocery stores. These outlets mainly sell food commodities, but the proportion of non-food sales has been increasing gradually. Larger franchised outlets and hypermarkets are, however, becoming more common. General stores are the largest non-food retailer by outlet type.

Most food is sold in the local `wet' market, vendors, roadside push cart sellers or tiny kirana stores. Indian household's spending on food is one of the highest in the world, with 48% of income being spent on food and beverages. The F&G segment consists of fresh fruits and vegetables, milk and milk products, fast moving consumer goods and food grains. Entrenched players such as Subhiksha, Food Bazaar and Spencer’s Daily are tapping into backward linkages, while trying to match their expanding geographies with retail formats.

The supply chain for unprocessed food items is fairly underdeveloped in India and has many layers leading to high wastages and a high cost of distribution. CRISIL Research believes that increasing penetration of organised retail into the F&G segment can bring about improvements to the supply chain for unprocessed food items.

2. Clothing & footwear: In terms of penetration by the organized retail sector, footwear is the highest category, followed by clothing (14%). Traditional outlets stock a limited range of cheap and popular items; in contrast, modern clothing and footwear stores have all ‘in-products’ and attractive displays to lure customers. Because of their rock-bottom prices, which are much lower than prices of branded products, they attract a large number of customers. Footwear is driven by the dominance of home-grown players like Liberty as well as the 15% market share that MNC retailer Bata commands. Foreign presence, especially through the franchisee route, e.g. Adidas, Reebok, Nike etc. adds to this slice of the pie.

The clothing segment is positioned for further organized retail penetration due to the high level of branding activities by apparel retailers. The ready-mades and western outfits are growing at 40-45% annually, as the market teems up with international brands and new entrants entering this segment, creating whooping market for the premium grooming segment. However, domestic retailers lack international standards. At present, only 70% of consumer products come from suppliers who fix barcodes on their packaging. For the remaining 30%, retailers themselves affix bar code stickers to ensure efficient billing as well as efficient stock control, thus adding to their costs.

Clothing has been the most important segment in the context of retail evolution in India, not because of its size but the way it has effected lifestyle changes in the lives of the people. It was clothing that drew international brands such as Allen Solly, Benetton, Lacoste and Arrow into the Indian market which in turn set the ball rolling for organising the retail sector. Leading brands like Pepe, Levi’s, Dockers, Gini & Jony, Blackberrys, Scullers, Freelook, Ruff Kids, Egana and Oxemberg, Van Heusen, Indian Terrain, Lee cooper, Mango, Marks & Spencer, are now aggressively expanding across the country

3. Health & Beauty products / Pharma retaling: With growth in income levels, Indians have started spending more on health and beauty products. Here also, small and single-outlet retailers dominate the market. However, in recent years, a few retail chains account for only a small share of the total market, specializing in the products these products that have come into the market. Medical care, health and beauty retailing have seen limited penetration of organized retail and will require innovative and aggressive plans on the part of Indian and international retailers to fully exploit their potential.

The pharmacy retail trade, which is highly fragmented and dominated by small chemists, is seeing entry of big industrial groups like Ranbaxy (Fortis), Reliance Retail, together with other big multi-format retailers like Pantaloon (Tulsi) and Subhiksha, and regional healthcare players like Apollo Pharmacy (Apollo Hospitals Group), Medicine Shoppee (international drug retail chain), Dial for Health (Zydus Cadilla), Planet Health (Sagar Drugs & Pharmaceuticals), Life Spring (Morepan), Health & Glow (Dairy Farm), LifeKen (Lifetime Healthcare), 98.4 (Global Healthline), Body Shop (now acquired by French beauty major Loreal), Guardian Pharmacy (Guardian Lifecare).

Dabur India is all set to open around 300-400 outlets across the country, based on health and beauty products. The company currently operates standalone outlets across the country offering complete Ayurvedic solutions, called the Dabur Ayurvedic Centres.Pantaloon has rolled out Medicine Bazaar to be part of its either Big Bazaar or Food Bazaar, Reliance Retail has also charted out plans to set up 4,000 pharmacies in the next four years. Reliance Health Ltd, a subsidiary of ADAG Group has already acquired two small drug retail chains, and planning to acquire some of the big pharma retail chains.

4. Consumer durables: Post-liberalized period has given way to a large number of foreign companies in India. These companies brought variety of consumer goods, electronic items and household goods for Indian consumer. Low-priced products constitute the majority of sales volume, and lower income and lower middle-income consumers accounting for over 60 percent of sales. Retail revenues in this segment will grow further in proportion with increase in urban incomes. Retailers introduced price cuts, and launched new packaging sizes together with discounts and promotional offers.

In the Rs 20,000-crore consumer durables industry, Chennai, Bangalore or Mumbai accounts for bulk of the 5% share of organised retail. In US ‘all products under one roof’ motto is popular for durable retail whereas Europe welcomes ‘only durables’ retail chains. In India, Chennai-based Vasanth & Company; Sony Mony Electronics, PlugIn Sales and Sumaria Appliances in Mumbai; and Bangalore's Pai International and Girias have adopted the durables-only chain format. There are few others who are following all at one place format. But India has not yet envisaged a strict format for durable retailing.

5. Jewelry retail: India is the largest consumer of gold in the world. Country’s jewelry market is mostly dominated by the unorganized sector. About 3 lakh traditional retail jewelers hold 96per cent of the market share, while large brands or organised retail form only 4 per cent of the overall market.

Among the gold market, gems and jewellery segments shows highest potential of growth the growth of retail business in this area. The Indian gems and jewellery sector contributed to about 15 per cent of India's total merchandise exports during 2005-06. And in 2006-07, it accounted for 13.7 per cent of the country's total merchandise exports. In the recent years, jewelry market has witnessed tremendous change. Old, traditional ornaments are giving way for branded designs and gold is replaced by diamonds and precious stones. Buying pattern is also changing. People are more and more opting for branded jewelry than buying from a 'family jeweler'. This change has created ample opportunity for the retailers. Multi-national jewellery brands such as Tiffany, Cartier, Zales and Harry Winston, all are showing interest in setting up their shops in India. Government's decision to allow 51per cent FDI in single brand retail store also helped many foreign retailers to enter into India.

Generally, Indian consumer looks out for low-cost jewelry for daily wear and prefers to buy from trustworthy jewelers. Diamonds, precious stones which give elegant look not so expensive and changeable after few years of wearing are preferred by the working class womenKeeping Indian consumers preferences and tastes Arens Gold Souk International Limited has opened a special shopping mall for branded jewelry. The company is planning to open about 100 Gold Souks in India in near future.

Jewelry retailers are exploring the vast India Gold and jewelry market, especially brand jewelry in their own way of branding, suiting to the needs and expectations of the consumer. Among Indian brands, for example, Nakshatra is product specific, Asmi is feeling specific and Glitterati is star oriented.

6. Home furniture & household goods: Like many other segments of retail, small and local retailers again dominate this sector. 85 per cent of the home furnishing industry is unorganized sector and remaining 15per cent is in the organized sector and is made up of manufactures and importers catering to the various segment of the industry.

Some of the major segments in furniture industry are Residential, Office, Contract and Institutional. There are other segments also based on the application (Kitchen, Bathroom, Bedroom, etc.) or on the raw material (wooden, plastic, metal, bamboo, etc). Interior designing, costly home furniture is no longer a rich and wealthy family's priority. Even middle class families are looking for luxury and comfortable furniture and showing more interest in decorating their Sweet homes.

The size of the Indian furniture retail market is estimated around Rs.30,000 crores. The furniture market in India is likely to witness an accelerated growth, with a compound annual growth rate (CAGR) of about 30%. India is one of the 14 large furniture markets in the world. However, the furniture sector makes a marginal contribution of 0.5% to India's GDP.

7. Books & Music: Spend on books and music is still concentrated in metro cities. The size of the Indian music industry is estimated at Rs.1100 crore of which about 36 percent is consumed by the pirated market and organized music retailing constitutes about 14 percent, equivalent to Rs.150 crore.

The book industry is estimated at over Rs. 3,000 crore out of which organized retail accounts for only 7% (at Rs.210 crore). This segment is seen to be emerging with text and curriculum books accounting to about 50% of the total sales. The gifting habit in India is catching on fast with books enjoying a significant share, thus expecting this sector to grow by 15% annually.

Pacing the growing demand for books, leading bookstores and retail chains such as Oxford, Landmark and Crosswords all are increasing their stores space from an average size of 8,000 sq feet to 15,000 sq feet that is around eight times that of the traditional stores. So that these stores can provide facilities to its readers such as reading, drinking tea as well as listening to and buying music and movies.

A.12 Market Players

Retailing is more developed and organized in many developed countries but it is still at an infant stage in India and is more unorganized. But growth is picking up in last few years with more and more corporate giants entering into the sector. India's top retailers are mainly grocery stores, clothing and footwear stores. With more and more global players showing keen interest in Indian retail market, Indian corporate world led by Tata, Goenka, Birlas and Piramal groups stepped into the arena.

Between them -Reliance, AV Birla Group, Tatas, Godrej, Bhartis, Mahindras, ITC Group and Wadias and many others – will be investing Rs 1 trillion in the retail business over the next five years industry experts say.

Some of the Key players currently operating in the Indian retail industry including Future Group (Pantaloon), Tata group (Trent Ltd, Tanishq, and Westside), RPG Enterprise (Food World, Health Glow and Music world), Vishal Retail Ltd, Rahejas (Shoppers Stop Ltd and Crossword), Bata India Ltd, Provogue India Ltd, Videocon Appliances Ltd., ITC Ltd (Wills Lifestyle), Godrej, and DCM - Hariyali Kisaan Bazaar, Reliance (Reliance Retail Ltd), A V Birla (Trinetri) Bigbazaar, Food Bazaar Subhiksha, Ebony Retail Holdings Ltd and the new entrants penetrating the market soon will include Woolsworth of Australia, Wal-Mart Stores of US, Carrefour of France, Tesco from UK, and LuLu hypermarket chain from UAE are a few amongst many waiting at the gates.

A.13 Profile of few major market players

1. Future Group / Pantaloon Retail: The company operates across multiple segments including –Food, Books & Music, Fashion, Telecom & IT, Home & Electronics, General Merchandise, Leisure & Entertainment, Wellness, Health & Beauty and E-tailing. The gross sales of the company are Rs. 3,236 crores for the financial year ending June 2007.

Initially started as a menswear shop, Pantaloon has transformed into multi-branded garment retail outlet. The success has given birth to India's first hypermarket chain Big Bazaar in 2001, followed by supermarket chain Food Bazaar in 2002.

Future groups retail ventures: The Company operates more than 331 outlets covering 5 million square feet of retail space, spread across 40 cities and has over 17,000 employees. The company caters to the 'Lifestyle' segment through its 31 Pantaloons Stores and 4 Central Malls, as well as its other concepts. In 'Value' retailing it is present through 51 Big Bazaar hypermarkets, 77 Food Bazaars and 5 Fashion Stations, and other delivery formats.

- *Pantaloons* -- department store
- *Central* – 'Shop, Eat, Celebrate In The Heart Of Our City', Seamless malls
- *Blue Sky* – Fashion accessories
- *aLL* – Fashion apparel for plus-size individuals.

- *Fashion Station* – popular fashion chain

○ *Futurebazaar.com / e-zone* --- Pantaloon's website, an online shopping center with wide range of products.

- *Big Bazaar* -- Hypermarkets
- *Food Bazaar* – a chain of supermarkets
- *Furniture Bazaar* -- a lifestyle home furniture store popularly called Collection I
- *Shoe factory* – footwear outlets
- *Electronics Bazaar* – offers branded electronic goods and appliances
- *Depot* -- offers books, CDs and stationery items.

○ *Bowling Co, Rain, Bollywood Café, Chamosa, Fuel, Sports Bar, Food Stop and Your Kitchen* – Leisure and Entertainment.

- *M- Zone and Converge M* – Communications

2. RPG Enterprises / Spencer Retail: RPG Enterprises enjoys a strong base with more than 20 companies in business sectors like Retail, IT & Communications, Entertainment, Power & Transmission, Tyres, Life Sciences and Specialties.

In retail sector, the company runs a chain of stores in four formats ranging from hypermarkets to Supermarkets to Daily and Fresh Stores, a music store and a health and beauty products outlet. Retail segment contributes 11per cent to the overall company turnover.

RPG's Retail ventures:

- *Spencer Retail:* There are 125 stores across 25 cities covering a retail trading area of half a million square feet. Basically it has five formats. Spencer's express – These stores are around 1000 sq ft in size, provides fresh food ranging from bread to vegetables and fruits, coffee, milk to juices. Spencer's Fresh – These are slightly bigger in size than Express outlets with 2000 sq. ft. air-conditioned stores are well stocked with fresh food for a lesser prices than the local vendors. Spencer's Daily – It is a regular friendly neighbourhood grocery store with about 4000-7000 sq ft in size. Spencer's hyper – A hypermarket with more than 25,000 sq. ft. in trading area.

- *MusicWorld:* Started in 1997, music and home video retail chain spread across 45 cities in India through 279 outlets. It commands a market share of 20-25per cent in markets where it is present. Today it operates in four formats. Music World Destination stores – 13, Express stores -64, Franchisee stores – 26, Unplugged – 176.
- *Spencer's Travel Services:* With a turnover of over US$ 2.2 billion and offices all over India dedicated to Cargo and Passenger transportation.

3. K Rahejas / Shopper's stop: The group's primary and largest business is Real Estate Business. But the group is considered as pioneer in the retail industry in India. The group forayed into retail business in way back 1991 with its first organized departmental store, "Shopper's Stop".

Raheja's Retail ventures:

- *Shopper's Stop:* Opened as a menswear in Mumbai in 1991 turned into a full fledged Department store. Today the stores also offer accessories, fragrances, cosmetics, footwear; home furnishing and décor products. Shopper's Stop is the only Indian member of the "Intercontinental Group of Departmental Stores". Today the stores are spread over 22 cities across the country. The company plans to increase its presence in 10 more cities covering an area of 2.5mn.sq.ft by 2008.
- *Crossword:* The group continued its march in retail business with Crossword – lifestyle book retail outlets in 2000. The store offers widest range of books for the young and old alike, along with magazines, CD-ROMs, music, stationery and toys. The store also gives its customer value added services like Dial-a-book, Fax-a-book and Email-a-book. Currently crossword has about 45 stores across Mumbai, Bangalore, Ahmedabad, Ghaziabad, Pune, Vadodara, Kolkata, Chennai, Jaipur, Vishakapatnam and Hyderabad.
- *Inorbit Malls:* 'more than just a mall' which comprises of shopping, leisure, food and entertainment under a single roof, spread over three levels. Inorbit Mall is now expanding to Navi Mumbai, Hyderabad, Pune and other cities across India.
- *HyperCITY:* is a neighborhood convenience store offers value added daily use products ranging from fresh produce, groceries, dairy products, bakery items, meals-to-go, household needs & personal care. The stores are spread over an area between 2500 to

4000sq feet. Currently they operate in three locations in Jaipur with the name ExpressCITY.

- *HomeStop:* It is an exclusive one stop solution to home furnishing and furniture, kitchen, bed, bath, lighting equipment and home decor. The first HomeStop was launched in 2005 in Bangalore.
- *Specialty stores:* The Company opened MotherCare (Maternal & Infant care) shop-in-shops in shopper's stop, two cosmetics shops in the first quarter of FY08. Currently there are about 22 Desi Cafes, 20 Of Brio cafes under food and beverages category are operating.

4. Reliance / Reliance Fresh: Reliance Retail is a retail chain division of Mukesh Ambani's Reliance Industries. The Reliance Retail envisages huge expansion plans through hypermarkets, supermarkets, discount stores, department stores, convenience stores and specialty stores in 800-odd cities and towns across India. Reliance Industries have started its ambitious retail business with investments around US$ 750million, which is about 10per cent of India's organized retail market.

Reliance started its retail rollout in five states - Maharashtra, Gujarat, Punjab, West Bengal and Andhra Pradesh in its first phase.

Reliance's Retail ventures:

- *Reliance Fresh:* A super market format for the fresh vegetables, dairy products etc. As of today there are about 226 Reliance Fresh outlets in 11 states and is planning to expand its network to by 1200 more outlets across the country in next 4-5 years.
- *Reliance Mart:* A Hypermarket that carry a range of over 95,000 products from various ranging from Fresh Produce, Food & Grocery, Home Care Products, Apparel and Accessories, Non-food FMCG products, Consumer Durables and IT, Automotive Accessories, Lifestyle Product, Footwear and much more. Reliance opened its first mega Mart in Ahmedabad in August 2007. The company is planning to open 30 more hypermarkets and increase the number to 500 by 2010 across the country.
- *Reliance Digital:* Mega store for consumer electronics. In next 3-4 years Reliance likes to set up 150 stores.
- *Specialty Stores:* Yet to start stores for new product categories like apparel, footwear, books, and wellness products.

- *Rangers Farm:* It's a supply chain store that mostly source and supply farm products required for its 'fresh' stores chain as well as for bulk customers like small traders and street vendors.
- *Reliance Town Centres:* These centres to be set up in the towns having population of less than three lakhs will provide all facilities that a small town may require. Reliance intends to open 700 such stores.
- *Storage and logistics stores:* Reliance is also setting up 62 storage stores to ensure uninterrupted supply of merchandise including perishables and short expiry items to its stores.

5. Tata / Trent: The US$ 9.7 billion Tata Group's retail arm Trent runs the Westside chain of stores. Established in 1998 Trent mainly explores the garment and apparel segment. Trent retail garments and household accessories for men, women and children, cosmetics and perfumes at Westside, food, beverages, health and beauty products, vegetables, fruits, dairy products, consumer electronics and household items at Star India Bazaar and books, music and stationery at Landmark. Trent recently entered into a strategic deal with DLF Universe Ltd to anchor 12 of its malls to be setup in next few years.

Tata's Retail ventures:

- **Westside:** A lifestyle departmental store. There are already 25 Westside outlets measuring 20,000 square feet each, in Mumbai, Bangalore, Hyderabad, Chennai, Pune, New Delhi, Kolkata, Nagpur, Jaipur, Noida, Gurgaon, Indore, Surat, Lucknow, Mysore, Gaziabad and Ahmedabad. It offers a variety of designs and styles in garments, footwear and accessories, as table linens, artifacts, home accessories and furnishings.
- **Star India Bazaar:** A hypermarket with a large assortment of products at the lowest prices. Started in 2004, these outlets offers a wide choice of staple food, beverages, health and beauty products, vegetables, fruits, dairy products, consumer electronics and household items. Presently there is only one 50,000 square feet store in Ahmedabad and plans to extend its presence across all major metros.
- **Landmark:** In 2005, Tatas acquired 76per cent stake in Landmark, India's largest book and music retailer. At present Landmark has 7 stores, varying in size from 12,000 sq. ft. to 45,000 sq. ft, 3 in Chennai and 1 each in Bangalore, Gurgaon, Mumbai and Vadodara.

Landmark's product profile includes books, stationery, greeting cards, music CDs, toys and other gift items.

- **Infiniti Retail / Croma:** Deals with consumer electronics and durable products under the retail outlet brand name Croma. The company would be investing upto Rs 4 billion for this venture. Croma is set to expand all over the country with at least 100 stores by 2011. With the backing of technical and sourcing collaboration with Australia's retail major Woolsworths, Croma offer products in home entertainment, appliances, white goods, computers, software, communication, music and gaming from leading brands such as Apple, Godrej, LG, Kenstar, Canon, Sony, Microsoft, EA Sports, Usha and Panasonic etc.

6. A V Birla / Birla Retail: Birla group instead of setting up its own retail outlets apart from their own Mudra garment outlets, are trying to enter into the retail business by acquiring already established retail chains. The company is mainly concentrating to establish its foot in Southern India than competing with others in most affluent metro and northern regions.

To start with Birla group acquired Trinethra Super Retail chain that mainly operates in Andhra Pradesh with some presence in Kerala and Karnataka. Trinethra started retail business much before anyone could imagine the growth of the sector as it is today. Trinethra started in way back 1986 in the twin cities of Hyderabad-Secunderabad had revenues of Rs 250 crores from its 172 stores which are mostly the size of Reliance Fresh groceries stores [2,500 sft - 3,000 sft]. Apart from its grocery retail chain, Trinethra has also brought online shopping portal Fabmall to the fold of AV Birla group.

Birla's acquiring march does not stop here. The company is planning to acquire Piramid Retail and Niligiris. The latter will give Birla Retail, pan south-India presence. They are also planning to open 172 hypermarkets and supermarkets starting from Pune.

7. Subhiksha: Organised retail market is mostly concentrated in Tier I towns and Metro cities. But the real consumer stays in tier 2 and 3 towns. Reach that customer who is neglected by others, is the mantra of Subhiksha's success. It was started and is managed by R Subramanian, IIM Ahmedabad alumni. Saving grace of Subhiksha under such a huge competition is its pricing. However, the outlets face serious charges about rotten products.

Establishing grocery stores in the middle of the residential areas is a trend started in southern India, which is pioneered by Trinetra in Andhra Pradesh, is followed by Subhiksha in Tamil Nadu. In 1997, Subhiksha started its retail foray with a 1,000 Sq ft shops across Chennai city. Today, Subhiksha has over 600 stores not just in Tamil Nadu but in places like Gujarat, Delhi, Mumbai, Andhra and Karnataka. By year-end, the company plans to set up1000 plus stores across the country.

Each of Subhiksha's stores is 2,000 sqft in size and mainly stock vegetables, fruits & groceries. Some stores have added FMCG and OTC medicines. It has 35 stores in Bangalore and will touch 60 by end of 2007, 145 in Tamil Nadu further consolidationg its position in the state. The company plans to expand its number of outlets to 2000 by 2009 with an investment of about Rs 500 crores.

ICICI ventures hold 24% stake in Subhiksha. For FY06, its topline was Rs. 334 crore with a mere Rs 6 crores bottomline. It is on set to achieve 100% growth this year and will probably end with Rs 800 crore topline and Rs 18 crore bottomline.

8. Vishal Retail Ltd / Vishal Megamart: Started as a ready-made apparels retailer in Kolkata in 2001, today, they have 54 stores spread over 18 states across India, out of which over 40 outlets are located in tier-2 and tier-3 cities. In 2003, it acquired the manufacturing facilities from Vishal Fashions Private Limited and M/s Vishal Apparels. Subsequently, it diversified its portfolio of offerings to include other retail goods.

Currently, Vishal retail sell ready-made apparels and a wide range of household merchandise and other consumer goods such as food and beverages, footwear, toys, watches, toiletries, grocery items, sports items, travel accessories, crockery, stationary, gift and novelties. By the end of March 2008, the company plans to expand its outlets to 61 and many franchise operations.

Based on the ‘Value retailing’ concept, to keep prices at lower rates, the company tries various methods such as in-house production of apparels, procurement of goods directly from small and medium size vendors and manufacturers, customized product mix depending on the regional customer behaviour and preferences. Vishal has a number of private labels manufactures by themselves such as Zepplin, Paranoia, Chlorine, Kitaan

Studio, Famenne, Fleurier Women and Roseau. In fiscal 2006, their income from private labels was Rs 483.50 million, which accounts for 16.76% of total sales for fiscal 2006.

9. ITC / Wills lifestyle: ITC entered the Lifestyle Retailing business in 2000 with its Wills Lifestyle chain of specialty stores. The company's main retail venture is through garments retailing and now it is entering into the agri-retailing as well.

Wills lifestyle offers from work wear to sports wear, evening wear, fashion accessories, an exclusive range of fine fragrances and bath & body care products for men and women. ITC has created different brands for different people and for different occasions. Wills Lifestyle range comprises 'Wills Classic' (formal wear), 'Wills Sport' (relaxed wear) and 'Wills Clublife' (social/evening wear). The 'Wills' range is now available in 39 large format retail stores and 156 multi-brand outlets apart from the 39 exclusive 'Wills Lifestyle Stores'.

Apart from that, ITC has special menswear 'John Players', the mid market-brand that has 75 exclusive Brand outlets and nearly 2100 multi-brand and high traffic outlets.

Following the footsteps of Reliance and Spencer's, ITC is all set to enter into agri-retailing. It split its retail presence in agri-retail into Choupal Fresh – urban areas and Choupal Sagar – villages. Already having the experience of e-choupals (IT kiosks) and good understanding of the ground realities at the rural areas, ITC is planning to interact with the farmers to procure fruits and vegetables. Under the Choupal Fresh brand, the company is planning to set up 140 stores in 54 cities across the country.

The Choupal Fresh outlets are not only concentrating on the individuals but also the wholesalers. The stores will service wholesale customers — small retailers, push cart vendors and institutions — between 5 and 7 in the morning. For the rest of the day, it will service retail customers.

ITC is also thinking of setting up hypermarkets and large supermarkets to cater to the mid-segment customers.

10. Godrej / Lifespace Stores: Godrej & Boyce Mfg. Co. Ltd started its retailing division in 2003 to bring all Godrej products under one roof. Initially, they were just called Godrej showrooms but in 2005 the showrooms were branded as "Godrej Lifespace Stores". There are already 49 Lifespace stores across 25 cities covering over 1,40,000 sq. ft. Currently, holding about 28 per cent of the market share in the furnishing and home appliances market, Godrej Lifespace is planning to open100 more stores by 2010, including Tier 2 and Tier 3 cities to consolidate its position.

A Godrej Lifespace Store offers a wide range of contemporary and stylish Godrej home and office furniture, home appliances, locks and security systems, along with other home accessories and lifestyle oriented products.

11. Bata: Not just India's but Asia's largest footwear retailer, Bata entered into India way back 1931. Today, Bata operates 1250 outlets across the country garnering 35 per cent market share in the organized sector and nearly 9 per cent of the footwear market.

To maintain its leadership position and growth, the company opened stores that operate in a four-tiered retail format under a new retail model - up-market Flagship Stores, smart and trendy City Stores & Super Stores and traditional Family Stores.

The most popular Bata brands include Power, Marie Claire, Bata School Shoes, Sandak, Bubblegummers, Bata Hawai and Bata Industrial. The company also markets international brands, like Weinbrenner, Hush Puppies, Dr Scholls, Reebok, Adidas, and Azaleia.

A.14 Future plans of retail majors:

- A successful telecom firm, Bharti Enterprises entered into retail business under a company called Bharti Retail Pvt. Ltd. It entered into a joint venture with Wal-Mart for wholesale cash-and-carry and back-end supply chain management operations in India. Bharti-Wal-Mart is to invest US$2.5 billion by 2015, to create 10 million sq ft of retail space.
- Reliance Retail is about to invest US$ 5.5 billion by 2010-2011, to create 100 million sq ft of retail space.
- Futures Group (Pantaloon Retail) will invest US$ 260 million by 2008, to increase its retail space to 10 million sq ft.
- Subhiksha, the US$ 73 million discount store will set up 1,000 stores in India by the year end, while Metro AG is investing US$ 400 million over the next three years to set up some 18 stores in the country.

- RAHEJAS is all set to launch 55 hypermarkets across India by 2015 with US$100 million sales.
- RPG: Planning IPO, 450+ MusicWorld, 50+ Spencer's, covering 4 million sq ft within the next 4 years
- PANTALOON: 10 million sq ft of retail space and Rs. 9000+ crore sales within the next 2 years.
- LIFESTYLE: Rs. 400 crore investment in the next 5 years in Max Hypermarkets and value retail stores, Home & Lifestyle Centres.
- Piramyd: 1.75 mn sq ft of retail space and 150 stores in next 5 years.
- Trent to open 27 more stores across its retail formats adding 1 mn sq ft of space in the next 12 DLF malls.
- Vishal Group: Plans include an IPO and an investment close to Rs. 1250 cr ($ 278 mn) by 2010, targeting 220 outlets, taking its cumulative retail space to 5 mn sq ft and sales turnover of Rs. 5000 cr ($ 1 bn+). With 50+ new stores getting ready in the current fiscal the chain is investing Rs. 300 cr (66.67 mn) with sales target of over Rs. 700 cr ($155.6 mn).

Future trend: scope of 24hr retailing

The concept of 24hr. retailing in India has been present only in very limited formats like the pharmaceuticals (Apollo) and fuel retail outlets (H.P, Reliance etc.) and the other retail formats used to operate only till the early hours of the night. But because of the changing lifestyles and the buying habits of the consumers the retailers have been extending their operating hours till late nights. Most of the Indian retail formats though capable of operating their formats round the clock do not choose to do so because of the non feasibility of the idea at present taking in conjunction the customers' readiness. For instance if any of the hyper market or supermarket is functioning during the night the retailer has to bear the extra costs of electricity, labor and maintenance if the number of footfalls are less very low during the late nights which otherwise would be profitable to him. Anyways, the shopping time of the consumer is considerably increasing. Moreover, inIndia most of the retailing is all about food and groceries. It might not be a rational prediction that all the consumers will step into the retail outlet at midnights to buy food and groceries.This problem can be overcome by implementing the idea in places which have a floating population even during the nights like railway stations and bus stations. However with the upcoming culture of malls and the changing lifestyles of the people one can design a small part of the store or a mall for a new 24/7 retail format which consists of the essential products like medicines, fruits and vegetables, groceries and some other FMCG products and test market it. Once if the sales start showing some consistent positive figures and if the crowd increases then the store can come in a bigger way to reach out to their customers.The other option for trying the concept of 24hr retailing is that the retailer can have a mobile outlet which can place itself in the areas which have substantial night traffic for the sales to happen. And once the people are to the 24hr shopping then the retail plans can be altered accordingly.

1. B THEORETICAL BACKGROUND

B.1 Profile of Indian Consumer

The Indian consumption patterns are slowly converging with global norms. The Indian consumer is now spending more on consumer durables, apparel, entertainment, vacations and lifestyle related activities. Entertainment, clothing and restaurant dining are categories that have been witnessing a maximum rise in consumer spending since 2002.300 million odd middle class - the Real consumers - is catching the attention of the world with over 600 million effective consumers by 2010. India is bound to emerge as one of the largest consumer markets of the world by 2010.

About one-third of households in India can afford (usually inexpensive) white goods, such as washing machines, refrigerators and air conditioners. However, consumers are price-conscious, and demand for many white goods is restrained by long replacement cycles in urban areas. India has around 192 million households. Of these only a little over six million are ‘affluent’ – that is, with household income in excess of INR 215, 000. Another 75 million households are in the category of ‘well off’ immediately below the affluent, earning between INR 45,000 and INR 215,000. This is a sizable proportion which offers excellent opportunity for organized retailers to serve.

One of the key reasons for the increased consumption is the impressive growth of the middle class. Around 70 per cent of the total households in India reside in the rural areas.

The total number of rural household is expected to rise from 135 million in 2001-02 to 153 million in 2009-10. This presents the largest potential market in the world. According to the study conducted by NCEAR, the number of `lower middle income' group in rural areas is almost double as compared to the urban areas, having a large consuming class with 41% of the Indian middle class and 58% of the total disposable income.

The Indian rural market has been growing at 3-4% per annum, adding more than 1 million new consumers every year and now accounts for close to 50% of the volume consumption of fast-moving consumer goods (FMCG) in India. The market size of the fast moving consumer goods sector is projected to be more than double to US$ 23.25 billion by 2010 from the present US$ 11.16 billion. As a result, it is becoming an important market place for fast moving consumer goods as well as consumer durables.

There were nearly 70 mn households (33% of the total) with an income of more than US$3,000 in 2008. These "well-off" households already own relatively expensive consumer durables, such as air conditioners and refrigerators.

- 600 mn+ effective buyers by 2010
- 550 mn+ under the age of 20 by 2015
- 70 mn+ earn Rs. 8, 00,000+ ($18,000) a year – number to rise to 140 mn by 2011

B.2 Consumer behaviour:

Availability of lifestyle spending options is increasing for Indian consumers and that inducing higher spends on “status acquisition”. Traditionally, Indian consumer is cautious about debts. In recent past, this attitude has changed radically and in recent year’s credit is no more a feared entity.

Indian consumer buying behaviour to a large extent has a western influence. Foreign brands have gained wide consumer acceptance in India and they are much more open for experimentation. Beauty parlours in cities, eateries, designer wear, watches, hi-tech products are a few instances which reflect these changes.

Purchasing priorities in India also influence the level of sales of individual products. Penetration data bear this out: televisions in use in 2008 were estimated at 95 per 1,000 populations, far higher than the level for white goods. This reflects the growing demand for entertainment in India.

The emergence of a larger middle and upper middle classes and the substantial increase in their disposable income has changed the nature of shopping in India from need based to lifestyle dictated. The self-employed segment has replaced the employed salaried segment as the mainstream market, thus resulting in an increasing consumption of productivity goods, especially mobile phones and 2 - 4 wheeler vehicles. There is also an easier acceptance of luxury and an increased willingness to experiment with the mainstream fashion, resulting in an increased willingness towards disposability and casting out from apparels to cars to mobile phones to consumer durables.

Consumer spending: The rate of growth of spending on discretionary items (unlike basic necessities like food) has been growing at an average of 9 per cent per year over the past five years. A nation of savers, India, has now altered into a nation of spenders. An average Indian spends 40% of his monthly salary on food and grocery and 8% on personal care products.

Chart 1.3

Urban-Rural divides in Spending (%)

Category	Rural	Urban
Entertainment	33	67
Consumer Services	44	56
Durables	50	50
Misc. Consumer goods	57	43
Clothing and Footwear	61	39
Food	64	36

Table 1.2

B.3 Formats in Indian Organized Retail Sector

The structure of retail is developing rapidly with shopping malls becoming increasingly common in large cities, and development plans being projected at 150 new shopping malls by 2008. the annual growth of department stores has been estimated at 24 per cent, which is faster than overall retail; and supermarkets have taken an increased share of general food and grocery trade over the last two decades.

Major Formats of In-Store Retailing

Format	Description	The value proposition
Branded stores	Exclusive showrooms either owned or franchised out by a manufacturer.	Complete range available for a given brand, certified product quality
Specialty Stores	Focus on a specific consumer need, carry most of the brands available	Greater choice to the consumer, comparison between brands is possible
Department Stores	Large stores having a wide variety of products, organized into different departments such clothing, house wares, furniture, appliances, toys, etc	One stop shop catering to varied/ consumer needs.

Supermarkets	Extremely large self-service retail outlets	One stop shop catering to varied consumer needs
Discount Stores	Stores offering discounts on the retail price through selling high volumes and reaping economies of scale	Low Prices
Hyper- mart	Larger than a supermarket, sometimes with a warehouse appearance, generally located in quieter parts of the city	Low prices, vast choice available including services such as cafeterias.
Convenience stores	Small self-service formats located in crowded urban areas.	Convenient location and extended operating hours.
Shopping Malls	An enclosure having different formats of in-store retailers, all under one roof.	Variety of shops available to each other.

Table 1.3

Retailers need not follow strictly, the above said formats. Considering the diversity in terms of taste and preferences existing in India, it is important for retailer to look at local conditions and insights into the local buying behaviour before shaping the format choice. Retailers, not only international players but also Indian players are trying different formats to keep up the consumer interest.

The specialty and supermarket formats have the most potential for growth in India, followed by hypermarkets. Most of the global powerhouses in the retailing sector such as Wal-Mart, Carrefour, Tesco etc. have adopted multi-format and multi-product strategies in order to customize their product offering for distinct target segments. Similar trends are likely to be exhibited in India as all formats present prospects for growth.

Supermarkets

The British colonial government introduced the idea of Supermarkets to facilitate its officers with access of all household goods under one roof. Supermarkets in India houses varied shops selling different types of essential commodities along with luxury items. These Supermarkets are mainly concentrated in urban areas or semi-urban areas. Supermarkets operating in India typically has a heterogeneous mixture of large and small individual retailers. Most of these Supermarkets sell branded products of both, domestic and international manufacturers. Supermarkets of India offer products with different price bands for each and every sections of urban society. The supermarkets clearly target the middle-class society in India, who are looking for fixed prices, cleaner products and faster shopping.

The supermarket typically comprises meat, fresh produce, dairy, and baked goods departments along with shelf space reserved for canned and packaged goods as well as for various nonfood items such as household cleaners, pharmacy products, and pet supplies. Most supermarkets also sell a variety of other household products that are consumed regularly, such as alcohol (where permitted), household cleaning products, medicine, clothes, and some sell a much wider range of nonfood products. Its basic appeal is the availability of a broad selection of goods under a single roof at relatively low prices. Other advantages include ease of parking and, frequently, the convenience of shopping hours that extend far into the evening or even 24 hours a day. Supermarkets usually make massive outlays of newspaper and other advertising and often present elaborate in-store displays of products.

A super market normally sells grocery, fresh, cut vegetables, fruits, frozen foods, toiletries, cosmetics, small utensils, cutlery, stationery and gift items. But in India, traditionally vegetables and fruits are purchased on designated vegetable markets or from the local vegetable sellers who bring them on carts to their doorsteps. Buying them in the supermarkets is not so encouraging but the trend is changing and slowly supermarket operators are coming to their own.

Hypermarkets

A hypermarket is a superstore which combines a supermarket and a department store. The result is a very large retail facility which carries an enormous range of products under one roof, including full lines of groceries and general merchandise. In theory, hypermarkets allow customers to satisfy all their routine weekly shopping needs in one trip. Hypermarkets in India houses varied shops selling different types of essential commodities along with luxury items. These Hypermarkets are mainly concentrated in urban areas only. Hypermarkets operating in India typically has a heterogeneous mixture of large and small individual retailers. Most of these Hypermarkets sell branded products of both, domestic and international manufacturers. Hypermarkets of India offer products with different price bands for each and every sections of urban society.

A hypermarket is somewhat of a big discount store that, ideally, stocks 60 per cent food and 40 per cent non-food items. Hypermarkets are designed to generate higher revenues and delivery gains in terms of branding, merchandising, display, variety and choice for partners, consumers, retailers and the government alike. Owing to the huge volume of sales generated at hypermarkets, overheads stay low enabling them to function like discount stores. Globally, hypermarkets account for 60 per cent of the retail sales. But in India established retailers are cautious of entering into the hypermarket structure. Subhiksha's in Chennai which has over 70 stores across Chennai have distanced from hypermarkets. Pantaloon group opened its hypermarkets – Big Bazaar in Hyderabad, Kolkata and Bangalore. Initially, hypermarkets started in Southern part of the country and slowly moved to Metro cities.

The hypermarkets route has emerged as one of the most preferred formats for international retailers entering India. Currently there are less than 50 hypermarkets in India, operated by 4-5 big retailers. India's 67 cities with population of half a million or more have potential to absorb many more hypermarkets in the next 4-5 years.

Department Stores

A department store is a retail establishment which specializes in satisfying a wide range of the consumer's personal and residential durable goods product needs; and at the same time offering the consumer a choice multiple merchandise lines, at variable price points, in all product categories. Department stores usually sell products including apparel, furniture, appliances, electronics, and additionally select other lines of products such as paint, hardware, toiletries, cosmetics, photographic equipment, jewelry, toys, and sporting goods. Certain department stores are further classified as discount department stores. Discount department stores commonly have central customer checkout areas, generally in the front area of the store. Department stores are usually part of a retail chain of many stores situated around a country or several countries. Departmental Stores are expected to take over the apparel business from exclusive brand showrooms.

Shopping malls

Shopping malls are an emerging trend in the global arena. Shopping mall is a building or set of buildings which contain retail units, with interconnecting walkways enabling visitors to easily walk from unit to unit. It is a big enclosed building housing a variety of shops or products. Malls are located mainly in metro cities, normally ranges from 60,000 sq ft to 7,00,000 sq ft and above. They lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof. From almost no malls existing in the country over a decade ago, there were over 200 operational malls by 2008. Over 130 to 180 million sqft of new mall space is estimated to come up in the country in the next 3-5 years. Consumers wanted a better shopping experience and this demand gave rise to the emergence of shopping malls in India. The concepts of shopping malls is most modern method of attracting consumers. Key retail location like Mumbai (up 203 per cent to 15mn), Delhi (up 527 per cent to 23.2mn), Bangalore (up 128 percent to 4.1mn), Hyderabad (up 163 per cent to 5.3mn), and Pune (up 188 per cent to 23.2mn) are all seeing a mall construction boom and this space availability shall lower the barriers to entry.

Specialty stores

Specialty stores are small stores which specialize in a specific range of merchandise and related items. Most stores have an extensive width and depth of stock in the item that they specify in and provide high levels of service and expertise. The pricing policy is generally in the medium to high range, depending on factors like the type and exclusivity of merchandise and ownership, that is, whether they are owner operated or a chain operation which has the advantage of bulk purchasing and centralized warehousing system. These stores focus on selling a particular brand, or a particular type of item. For example, a store that exclusively sells cell phones or video games would be considered specialized.

Franchisee Outlets

Franchising refers to the methods of practicing and using another person's business philosophy. The franchisor grants the independent operator the right to distribute its products, techniques, and trademarks for a percentage of gross monthly sales and a royalty fee. Various tangibles and intangibles such as national or international advertising, training, and other support services are commonly made available by the franchisor. Agreements typically last from five to thirty years, with premature cancellations or terminations of most contracts bearing serious consequences for franchisees.

Convenience Stores:

These are relatively small stores of about 400-2,000 sq. feet located near residential areas. They stock a limited range of high-turnover convenience products and are usually open for an extended period during the day, seven days a week. Prices are slightly higher due to the convenience premium.In India, Convenience stores occupy 23 thousand sq. meter of retail space with sales of about Rs 1347 million in 2005 and are expected to occupy 85 thousand square meter of selling space by 2010. During the same period, sales is expected to touch Rs 5271 million and number of outlets are likely to grow from 510 to 2434.

Modi group started 24X7, a new format of convenience store in Delhi. It supplies ranged from branded fast-moving consumer goods, over-the-counter drugs and staple products such as pulses, rice etc.

Discount Stores:

As the name suggest, discount stores or factory outlets, offer discounts on the MRP through selling in bulk reaching economies of scale or excess stock left over at the season. The product category can range from a variety of perishable/ non-perishable goods. Though Indian consumer is price sensitive and looks for savings in term of money in grocery purchase, there is hardly any national level discount chain operating in India. Soft discounters are present in India, although their influence on grocery retailing was very minimal with a value share at less than half a percentage point. Unlike most Western countries, Indian retailers are mainly small stores and do not have much bargaining power with manufacturers in order to negotiate terms. Due to low economies of scale, retailers are unable to offer significant discounts on their own.

In India there are 410 discount stores with 63 thousand sq, meter selling space and by 2010 that figure is going to be 555 discount retail outlets with 85 thousand selling space. Subhiksha, the Chennai based discount retail chain is going national.

Kirana Stores:

Fondly called the 'Moms and Pops' of India, Kirana stores are usually around 500 to 800 sq ft in size. Omni-present, low-key outlets, they're run by owners/ proprietors who know their business well and pass on the knowledge to the next generation. Value proposition is basically convenience. Their success in the respective localities is such that the existence of these stores has been used as an indicator of the real estate potential in that locality.

E-retailing / Internet retailing:

It is growing all over the world. Internet retailers such as eBay and rediff.com are providing a platform to vendors to sell their products online and they do not take the responsibility of delivering the product to buyer. They provide virtual shopping space to the vendors. On the other hand, online retailers like amazon.com and walmart.com have to maintain their warehouse to stock products and take the responsibility of delivering products to the buyer.

India's leading garment retailers like Pantaloon, Shoppers' Stop and Globus are eyeing e-retailing portals. Through online sales, some retail majors want to reach small towns where they do not have the outlets. When most are planning to go e-retailing, some are of the conventional view that it is essential to have a look, feel and experience while shopping garment.

While the Internet & Online Association of India (IOAI) has projected that online shopping will increase to Rs 2,300 crore by FY09, it is estimated that around 50-60% of the internet sales are related to air and railways ticketing. Hence, actual business opportunity for organised retail players boils down to Rs 1,200-crore market by FY09, including C2C auctions. However, in addition to adding to revenues, e-tailing can help in attracting consumers to their physical stores by aiding shopping-comparison searches. They can act as a cheap medium for advertising and as platforms for test-marketing new launches.

Chapter 2

RESEARCH DESIGN

2. RESEARCH DESIGN

2.1 Statement of problem

The emerging trends in the Indian organized retail sector are also adding up to the development of the Indian organized retail sector. The relaxation by the government on regulatory controls on foreign direct investments has added to the process of the growth of the Indian organized retail sector.

The infrastructure of the retail sector will evolve radically in the recent future. The emergence of shopping malls is increasing at a steady pace in the metros and there are further plans of expansion which would lead to 150 new ones coming up in India by 2009.

The future group has created a history by providing the different products to the customers under one roof, but still there are many customers who are unaware of different retail formats of future group. The study aims to understand level of awareness of retail formats of future group in Bangalore.

2.2 Objectives of this study

1. To study customer awareness of retail formats of future group among customers in Bangalore.

2. To study the different formats of retailing.

3. To understand customer perception towards different formats of retail

4. To understand the performance of different retail formats.

2.3 Scope of the study

The study will bring out the extent of awareness that retail customers in Bangalore have towards which retail company providing better service solutions. It also helps to find out promotional tools influence the customers to opt for better retail outlet. It also helps the customers to know different formats of future group. It also helps to study satisfaction level of customer towards any particular format of future group.

2.4 Research Methodology

The present study is a survey-cum-analytical and empirical one. To elicit the primary data of the proposed study, questionnaire with structured questions for customers.

2.5 Sources of Data

Primary sources: The primary data is collected directly from the respondents through

a) Structured questionnaire

b) Personal interview with customer of future group

Secondary sources: The secondary data is collected from the secondary sources like

(a) Magazines

(b) Internet Website

(c) Broachers

(d) Journals

2.6 Sampling technique

Convenient Sampling

Convenient sampling is obtained by selecting convenient population unit. The population being investigated which is selected neither by probability nor by judgment but by convenient

Sample size

The sample size is the number of units chosen from the population to study and sample size is 100 customers.

2.7 Plan of Analysis

The collected data will be analyzed with the help of percentage method, using Tables, charts and graphs.

2.8 Limitations of the Study

1. Time constraint related to data collection.
2. The information given by the customers may be biased.
3. Reluctance on the part of customers to give adequate information.
4. In course of time, the findings of the study may become obsolete in view of changes in the customers' expectations towards retail outlets.
5. The area of the study is restricted to only Bangalore city

2.9 Overview of chapter scheme

Chapter 1 Introduction to Industry

This chapter deals with industry introduction, overview of industry and theoretical background.

Chapter 2 Research design

This chapter deals with research design, statement of the problem, objectives, limitations, methodology, sources of data collection, sampling, and chapter scheme.

Chapter 3 Company profile

This chapter covers profile of the future group.

Chapter 4 Data analysis and Interpretation.

This chapter deals with analysis of data through tables, graphs and charts.

Chapter 5 Summary of findings and suggestions

The chapter covers findings of the study and suggestions made.

Chapter 6 Conclusion

The chapter covers the conclusion of the study.

Chapter 7 Annexure

Chapter 8 Bibliography

Chapter 3

COMPANY PROFILE

3. COMPANY PROFILE

Kishore Biyani popularly known as India’s “King of Retail” has started multiple retail formats in both value and lifestyle segments under the flagship Pantaloon Retail. The company operates across multiple segments including –Food, Books & Music, Fashion, Telecom & IT, Home & Electronics, General Merchandise, Leisure & Entertainment, Wellness, Health & Beauty and E-tailing. The gross sales of the company are Rs. 3,236 crores for the financial year ending June 2007.

Initially started as a menswear shop, Pantaloon has transformed into multi-branded garment retail outlet. The success has given birth to India’s first hypermarket chain Big Bazaar in 2001, followed by supermarket chain Food Bazaar in 2002.

3.1 History of Future Group

Future Group India was established in 1994 with a vision to provide diverse services in Indian and Global markets. The business areas of Future Group cover BPO (Business Process Outsourcing), New Media, Security Management, and Construction. Through their strategic investment and services, the future of Future Group shows a rising star in the business sky of India.

Future Group, led by its founder and Group CEO, Mr. Kishore Biyani, is one of India’s leading business houses with multiple businesses spanning across the consumption space.

While retail forms the core business activity of Future Group, group subsidiaries are present in consumer finance, capital, insurance, leisure and entertainment, brand development, retail real estate development, retail media and logistics.

Led by its flagship enterprise, Pantaloon Retail, the group operates over 12 million square feet of retail space in 71 cities and towns and 65 rural locations across India. Headquartered in Mumbai (Bombay), Pantaloon Retail employs around 30,000 people and is listed on the Indian stock exchanges. The company follows a multi-format retail strategy that captures almost the entire consumption basket of Indian customers. In the lifystyle segment, the group operates Pantaloons, a fashion retail chain and Central, a chain of seamless malls. In the value segment, its marquee brand, Big Bazaar is a hypermarket format that combines the look, touch and feel of Indian bazaars with the choice and convenience of modern retail.

In 2008, Big Bazaar opened its 100th store, marking the fastest ever organic expansion of a hypermarket. The first set of Big Bazaar stores opened in 2001 in Kolkata, Hyderabad and Bangalore.The group's speciality retail formats include, books and music chain, Depot, sportswear retailer, Planet Sports, electronics retailer, Ezone, home improvement chain, Home Town and rural retail chain, Aadhar, among others. It also operates popular shopping portal, futurebazaar.com.Future Capital Holdings, the group's financial arm provides investment advisory to assets worth over $1 billion that are being invested in consumer brands and companies, real estate, hotels and logistics. It also operates a consumer finance arm with branches in 150 locations.

Other group companies include, Future Generali, the group's insurance venture in partnership with Italy's Generali Group, Future Brands, a brand development and IPR company, Future Logistics, providing logistics and distribution solutions to group companies and business partners and Future Media, a retail media initiative.The group's presence in Leisure & Entertainment segment is led through, Mumbai-based listed company Galaxy Entertainment Limited. Galaxy leading leisure chains, Sports Bar and Bowling Co. and family entertainment centres, F123. Through its partner company, Blue Foods the group operates around 100 restaurants and food courts through brands like Bombay Blues, Spaghetti Kitchen, Noodle Bar, The Spoon, Copper Chimney and Gelato.

Future Group's joint venture partners include, US-based stationery products retailer, Staples and Middle East-based Axiom Communications.

The group's flagship company, Pantaloon Retail was awarded the International Retailer of the Year 2007, by the US-based National Retail Federation, the largest retail trade association and the the Emerging Market Retailer of the Year 2007 at the World Retail Congress in Barcelona.Future Group believes in developing strong insights on Indian consumers and building businesses based on Indian ideas, as espoused in the group's core value of 'Indianness.' The group's corporate credo is, 'Rewrite rules, Retain values.'

3.2 Leadership

The Future Group employs over 30,000 people and was counted among 15 best employers in India in a survey conducted by Hewitt Associates in 2007 in association with The Economic Times.The Group has developed a strong senior management team with cross-functional expertise in multiple businesses and is led by its Founder and Group CEO, Kishore Biyani.

Kishore Biyani founded Pantaloons in 1997, followed by a number of popular retail formats including Big Bazaar, Central, Food Bazaar, Brand Factory and Home Town, that now cater to almost the entire consumption basket of a wide cross-section of Indian consumers.

In the recent years, Kishore Biyani has led the group's transformation into one of India's leading business houses with presence in capital, consumer finance, insurance, brand development, retail real estate development and logistics.A staunch believer in the group's corporate credo, 'Rewrite Rules, Retain Values,' Kishore Biyani considers Indianness as the core value driving the group. He was recently awarded the Ernst & Young Entrepreneur of the Year 2006 in the Services Sector and the Lakshmipat Singhania - IIM Lucknow Young Business Leader Award by Prime Minister, Dr. Manmohan Singh in 2006. He was also awarded the CNBC First Generation Entrepreneur of the Year 2006.

Kishore Biyani was born in August 1961 and is married to Sangita and they have two daughters. He recently authored a book, 'It Happened In India' that captures his entrepreneurial journey and the growth of modern retailing in India.

3.3 Future Group Manifesto

"Future" – the word which signifies optimism, growth, achievement, strength, beauty, rewards and perfection. Future encourages us to explore areas yet unexplored, write rules yet unwritten; create new opportunities and new successes. To strive for a glorious future brings to us our strength, our ability to learn, unlearn and re-learn, our ability to evolve.

We, in Future Group, will not wait for the Future to unfold itself but create future scenarios in the consumer space and facilitate consumption because consumption is development. Thereby, we will effect socio-economic development for our customers, employees, shareholders, associates and partners.

Our customers will not just get what they need, but also get them where, how and when they need.

We will not just post satisfactory results, we will write success stories.

We will not just operate efficiently in the Indian economy, we will evolve it.

We will not just spot trends; we will set trends by marrying our understanding of the Indian consumer to their needs of tomorrow.

It is this understanding that has helped us succeed. And it is this that will help us succeed in the Future. We shall keep relearning. And in this process, do just one thing.

Rewrite Rules. Retain Values.

3.4 Values

* Indianness: confidence in ourselves.

* Leadership: to be a leader, both in thought and business.

* Respect & Humility: to respect every individual and be humble in our conduct.

* Introspection: leading to purposeful thinking.

* Openness: to be open and receptive to new ideas, knowledge and information.

* Valuing and Nurturing Relationships: to build long term relationships.

* Simplicity & Positivity: Simplicity and positivity in our thought, business and action.

* Adaptability: to be flexible and adaptable, to meet challenges.

* Flow: to respect and understand the universal laws of nature.

3.5 Group Vision

Future Group shall deliver Everything, Everywhere, Everytime for Every Indian Consumer in the most profitable manner.

3.6 Group Mission

We share the vision and belief that our customers and stakeholders shall be served only by creating and executing future scenarios in the consumption space leading to economic development.

We will be the trendsetters in evolving delivery formats, creating retail realty, making consumption affordable for all customer segments – for classes and for masses.

We shall infuse Indian brands with confidence and renewed ambition.

We shall be efficient, cost- conscious and committed to quality in whatever we do.

We shall ensure that our positive attitude, sincerity, humility and united determination shall be the driving force to make us successful.

3.7 Success Factors

- Brand equity and early mover advantage;
- Entrepreneur led, professionally managed and experienced team;
- Strong projects and operations capabilities;
- Vast range of lifestyle and value retailing products and services;
- Strong focus on systems and processes;
- Strong distribution and logistics network and supply chain; and
- Large base of loyal customers.

3.8 Companies under future group

Pantaloon Retail (India) Limited

Pantaloon Retail (India) Limited (PRIL), is India's leading retailer that operates multiple retail formats in both the value and lifestyle segment of the Indian consumer marker. Headquartered in Mumbai, the company operates 10 million square feet of retail space, has over 1,000 outlets (including shop-in-shops) across 61 cities in India and employs over 30,000 people.

The company's leading formats include Pantaloons, a chain of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain, Food Bazaar, a supermarket chain, and Central, a chain of seamless destination malls. Some of its other formats include Depot, Brand Factory, Blue Sky, Star and Sitara. Pantaloon Retail is part of the Future Group which has presence in multiple businesses in the consumption space including consumer finance, capital, insurance, retail media, mall development, logistics and brand development.

Home Solutions Retail (India) Limited

Future Group's business offers complete retailing solutions for all products and services related to home building and home improvement. The key product categories are CDE (Consumer Durable & Electronics), Furniture, Home Furnishing & Decor, Home Improvement and Home Services. HSRIL operates retail format Collection i, Furniture Bazaar, Electronics Bazaar, Home Town and eZone.

Future Brands Limited

Future Brands Limited (FBL) has been incorporated on November, 2006 and is involved in the business of creating, developing, managing, acquiring and dealing in consumer-related brands and IPRs (Intellectual Property Rights).

Future Media (India) Limited

Future Media (India) Limited (FMIL) was incorporated as the Group's media venture, aimed at creation of media properties in the ambience of consumption and thus offers active engagement to brands and consumers. FMIL offers relevant engagement through its media properties like Visual Spaces, Print, Radio, Television and Activation.

Future Logistic Solutions Limited

Future Logistic Solutions Limited (FLSL) has been incorporated as a separate entity and is involved in the business of providing logistics, transportation and warehousing services for all group companies and third-parties.

Convergem Communication (India) Limited

Convergem Communication (India) Limited (CCIL) (formerly known as Convergem Retail (India) Limited) was incorporated to set up a chain of retail outlets for dealing in areas of communication, data & voice storage and other related products. The company operates mBazaar, mPort and GenM, among other retail formats.

Pantaloon Food Product (India) Limited

Pantaloon Food Product (India) Limited (PFPIL) was incorporated with the object of sourcing and backward integration of food business of the company. PFPIL has sourcing and distribution bases at all key cities across the country.

Future Knowledge Services Limited

Future Knowledge Services Limited (FKSL) was incorporated on January, 2007 and is engaged in the business of business process outsourcing and knowledge process outsourcing.

Future Capital Holdings Limited

Future Capital Holdings Limited (FCH) was formed to manage the financial services business of Pantaloon Retail (India) Limited and other group entities. FCH is one of the fastest growing financial services company in India, with presence in Asset Advisory, Retail Financial Services and Proprietary Research. The company operates a consumer finance retail format, Future Money and manages assets worth over US$ 1 Billion through its various funds including Indivision, Kshitij, Horizon and Future Hospitality. FCH subsidiary companies include Kshitij Investment Advisory Company Ltd., Ambit Investment Advisory Company Ltd., and Indivision Investment Advisors Ltd.

Future Generali India Insurance Company Limited

Future Generali India Insurance Company Limited (FGIICL) was incorporated on October 30, 2006 to undertake and carry on the business of general insurance. The approval for carrying on General Insurance Business has been received from the Insurance Regulatory and Development Authority of India (IRDA) on September 4, 2007.

Future Generali India Life Insurance Company Limited

Future Generali India Life Insurance Company Limited (FGILICL) was incorporated on October 30, 2006 to establish and conduct the business of life insurance in India, which comprises of whole life insurance, endowment insurance, double benefit and multiple benefits insurance etc. The approval for carrying on Life Insurance Business has been received from the IRDA in September, 2007.

Future bazaar India Limited

Future bazaar India Limited (FBIL) is set up as the e-Retailing arm of the Future Group for providing on-line shopping experience. Futurebazaar.com was launched on January 2, 2007, and has emerged as one of the most popular online shopping portals in India. It was awarded with the “Best Indian Website” award, in the shopping category, by the PC World Indian Website Awards.

Weavette Texstyles Limited

Weavette Texstyles Limited was incorporated on December 8, 1994 and is involved in the business of designing, manufacturing, buying and selling, importing, exporting, spinning etc of various types of textile fabrics.

Winner Sports Private Limited

Winner Sports Pvt. Limited caters to the Sports and Lifestyle consumer space. Winner Sports is the exclusive India Licensee for retailing and marketing leading international brands including Converse, Speedo, Wilson, Prince, Spalding and Callaway. It has over 57 stores across 23 locations.

Staples Future Office Products Private Limited

Staples Future Office Products Private Limited (SFOPPL) was incorporated on January, 2007 and is involved in the business of dealing in all kinds of office supplies, office equipments and products. SFOPPL is a joint venture between the Company and Staples Asia Investment Limited (a subsidiary of Staples Inc USA). The company’s first retail outlet opened in Bengaluru in December, 2007.

Talwalkars Pantaloon Fitness Private Limited

Talwalkars Pantaloon Fitness Private Limited (TPFPL) was incorporated on December 19, 2006 and is involved in the business of setting up gymnasiums and dealing in fitness equipments and other health products. TPFPL is a 50:50 joint venture between the Company and Talwalkars Better Value Fitness Private Limited.

ConvergeM

The company has entered into a 50:50 joint venture with Axiom Telecom LLC, UAE on July 20, 2007 to do sourcing and wholesale distribution of mobile handsets, accessories and setting up service centers and authorized after sales service centers for mobile handsets in India.

Indus League Clothing

A subsidiary company, Indus League Clothing owns and manages the brands Indigo Nation, Scullers, Urban Yoga, Urbana and their retail formats.

Galaxy Entertainment Corporation Ltd

It is a group company that operates leisure and entertainment chains, The Bowling Company, The Brew Bar, The Sports Bar, Sportsbar Express and Chamosa.

Future Consumer Products Limited

FCPL is a subsidiary company of Pantaloon Retail India Limited, incorporated in September 2007. The company has two brands under its umbrella - SACH & S Drive, inspired by Sachin Tendulkar. These brands operate in categories such as foods, apparels, personal care and general merchandize among others, and are available through Future Group formats. SACH launched with an apparels range for boys between the ages of 9-16 across Big Bazaars in June 2008.

Future Ventures India Limited

Future Ventures seeks to promote and participate in innovative and emerging business ventures in India. The group intends to play a role in powering entrepreneurship, by promoting or participating in diverse business activities, primarily in consumption-led sectors in the country, which will be determined primarily by the growing purchasing power of Indian consumers and their changing tastes, lifestyle and spending habits.

FootMart Retail India Ltd

FootMart Retail is a joint venture between Liberty Shoes and the group and operates the Shoe Factory format.

3.9 Future brand

The Future Group has built a strong portfolio of some of the fastest growing consumer brands in India. This activity is led through Future Brands India Limited, a specialized subsidiary company that was set up to create and build powerful brands that address the aspirations of the new Indian consumer.

Some of the key brands in this portfolio include, John Miller, Lombard, Bare, DJ&C, Buffalo and RIG in the fashion and apparel space. Dreamline, present in the home segment, offers a wide range of products in kitchenware, bed & bath linen, and Home Décor categories.In the food and home care segment brands include Tasty Treat, Premium Harvest, Fresh & Pure, Care Mate and Clean Mate.In consumer durables and electronics space, the group’s brands include **Koryo** and **Sensei**.

3.10 Competitors

RPG Retail --	Supermarket (Foodworld)
Piramal’s -	Department Store (Piramyd Megastore)
K Raheja Group -	Department Store (Shopper's stop) Specialty Store (Crossword)
Tata/ Trent -	Department Store (Westside)
Landmark Group -	Department Store (Lifestyle)
Ebony -	Department Store
Crossword -	Larger bookstore
Piramyd -	Department store
Subhiksha -	Supermarket
Foodworld -	Food Supermarket

Metro - department store (life style)

3.11 Awards

- Images Fashion Forum 2009
- Coca-Cola Golden Spoon Awards 2009
- Indian Retail Forum Awards 2008
- The INDIASTAR Award 2008
- Retail Asia Pacific 500 Top Awards 2008
- Coca-Cola Golden Spoon Awards 2008

3.12 Major Milestones

1987 Company incorporated as Manz Wear Private Limited. Launch of Pantaloons trouser, India's first formal trouser brand.

1991 Launch of BARE, the Indian jeans brand.

1992 Initial public offer (IPO) was made in the month of May.

1994 The Pantaloon Shoppe – exclusive menswear store in franchisee format launched across the nation. The company starts the distribution of branded garments through multi-brand retail outlets across the nation.

1995 John Miller – Formal shirt brand launched.

1997 Company enters modern retail with the launch of the first 8000 square feet store, Pantaloons in Kolkata.

2001 Three Big Bazaar stores launched within a span of 22 days in Kolkata, Bangalore and Hyderabad.

2002 Food Bazaar, the supermarket chain is launched.

2004 Central - India's first seamless mall is launched in Bangalore.

2005 Group moves beyond retail, acquires stakes in Galaxy Entertainment, Indus League Clothing and Planet Retail.

2006 Future Capital Holdings, the company's financial is formed to manage over $1.5 billion in real estate, private equity and retail infrastructure funds. Plans forays into retailing of consumer finance products.

. Forms joint ventures with US office stationery retailer, Staples.

2007 Future Group crosses $1 billion turnover mark.

Specialized companies in retail media, logistics, IPR and brand development and retail-led technology services become operational.

Pantaloon Retail wins the International Retailer of the Year at US-based National Retail Federation convention in New York and Emerging Retailer of the Year award at the World Retail Congress held in Barcelona.

Futurebazaar.com becomes India's most popular shopping portal.

2008 Future Capital Holdings becomes the second group company to make a successful Initial Public Offering in the Indian capital markets.

Big Bazaar crosses the 100-store mark, marking one of the fastest ever expansion of a hypermarket format anywhere in the world.

Total operational retail space crosses 10 million square feet mark.

Future Group acquires rural retail chain, Aadhar present in 65 rural locations.

3.13 Future retail

Retail forms the core business activity at Future Group and most of its businesses in the consumption space are built around retail. Future Group's retail network touches the lives of more than 200 million Indians in 71 cities and 65 rural locations across the country. The group currently operates around 1,000 stores spread over 12 million square feet of retail space. Present in the value and lifestyle segments, the group's retail formats cater to almost the entire consumption expenditure of a wide cross-section of Indian consumers.

Led by Pantaloon Retail, the group's flagship company, the group manages some of India's most popular retail chains like Pantaloons -- a chain of fashion destinations, Big Bazaar - a uniquely Indian hypermarket chain, Food Bazaar -- a supermarket chain that blends the look, touch and feel of Indian bazaars with aspects of modern retail like choice, convenience and quality and Central -- a chain of seamless destination malls. Some of its other formats include Brand Factory, Planet Sports, aLL, Top 10,and Star and Sitara. The group also operates India's most popular online shopping portal, futurebazaar.com.

Retailing of products and services related to home building and home improvement is led through the group's formats, Home Town, a large-format home solutions store, along with specialized formats for home furniture and home furnishing through, Collection i and Furniture Bazaar and consumer electronics through eZone and Electronics Bazaar.

The group also operates India’s leading rural retailing chain, Aadhaar that is present in over 65 locations in rural India. Aadhaar, an agri-service cum rural retail initiative, provides a complete solution provider for the Indian farmer.

In 2007, Pantaloon Retail was awarded the International Retailer of the Year by the US-based National Retail Federation (NRF) and the Emerging Market Retailer of the Year at the World Retail Congress held in Barcelona.

3.14 Retailing formats of future group

Following are the important retailing formats of future group

Pantaloons

The thought behind 'Fresh Fashion'. An idea that has captured the imagination of young India. With a focus on the youth of today, Pantaloons offers trendy and hip fashion that defines the hopes and aspirations of this demography.Pantaloons Fresh Fashion stands out as a fashion trendsetter, on the lines of how fashion is followed internationally. The ‘look’ and ‘what’s in’ today for the season is sacrosanct.Pantaloons takes its promise of 'fresh fashion' very seriously making available to its customers the latest in fashion every week!All Pantaloons stores reflect the new ideology -- Fresh Feeling, Fresh Attitude, Fresh Fashion. The stores offer fresh collections and are visually stimulating thanks to appealing interiors and attractive product display!

The first Pantaloons was opened in Gariahat in 1997. Over the years, it has undergone several transitions. When it was first launched, this store mostly sold external brands. Gradually, it started retailing a mix of external brands while at the same time introduced its own private brands. Initially positioned as a family store, it finally veered towards becoming a fashion store with an emphasis on 'youth' and clear focus on ‘fresh fashion’.

Today, the fashion store extends to almost all the major cities across the country. Pantaloons has established its presence with stores not just in the metros, but also in smaller towns. Pantaloons stores have a wide variety of categories like casualwear, ethnicwear, formalwear, partywear and sportswear for Men, Women and Kids.

Big bazaar

Big Bazaar is the flagship hypermarket retail chain from Future Group, having 105 stores the country. With its motto of “Is se sasta aur accha kahin nahin”, Big Bazaar ensures that all the products are of good quality and offered at the lowest prices. Promising 'more for less', Big Bazaar, offers 1.6-lakh mass-market product ranges that are sought by a majority of Indian consumers. It also offers a host of value-added services. The special discounts and promotional offers, which are available at regular intervals, make the format very unique and distinct. The consumer experiences a new level of standard in price, convenience, comfort, quality and store service levels. Big Bazaar is not just another hypermarket. It caters to every need of your family. Where Big Bazaar scores over other stores is its value for money proposition for the Indian customers.

At Big Bazaar, customer will definitely get the best products at the best prices. With the ever increasing array of private labels, it has opened the doors into the world of fashion and general merchandise including home furnishings, utensils, crockery, cutlery, sports goods and much more at prices that will surprise. And this is just the beginning. Big Bazaar plans to add much more to complete shopping experience. Big Bazaar PRIL’s Hypermarket format that truly heighten up the expectation of value concisious Indian customer to a new level ever before. It has changed the customer’s perception to that extent that they have already started to realize that Big Bazaar can provide real value for their money. The first store opened in Kolkata in 2001 at VIP and was followed by stores in Hyderabad and Bangalore in short span of 22 days. These stores contributed over Rs.43 crores to the company’s business and over Rs. 2.89 crores to the PBDIT in first year it self

Food bazaar

Food Bazaar is a chain of large supermarkets with a difference, where the best of Western and Indian values have been put together to ensure customer satisfaction and comfort while shopping. The western values of convenience, cleanliness and hygiene are offered through pre packed commodities and the Indian values of "See-Touch-Feel" are offered through the “bazaar-like” atmosphere created by displaying staples out in the open, all at very economical and affordable prices without any compromise on quality.

The best of everything offered with a seal of freshness and purity will definitely make your final buying decision a lot easier.

Staples

Staples is a joint venture between Staples Inc., the world's largest office products company and Future Group, which owns Pantaloon Retail, India's largest retail company. Staples Offices Products aims to be the largest office products company in India across Retail, Delivery and Online channel. With a presence in over 9 cities in India, It would like to become the single source provider of all office products including Technology, Supplies, Promotional Gifting and Furniture products to large & small companies, professionals and students.

The Staples 'Delivery' business is aimed at large Indian businesses, spanning multiple locations, requiring seamless ordering & fulfillment and savings through consolidated buying & improved consumption information. The Staples 'Retail' business is a chain of office superstores providing the entire gamut of office products under one roof at everyday low prices small businesses, professionals, students and consumers.

Brand factory

Brand Factory is a chain of stores operated by Pantaloon Retail India. Launched in September 2006, it currently has eight outlets in India. The outlets are between 60,000 to 100,000 square feet in size and offer around 120 brands such as Esprit, Van Heusen and Levis. The chain offers a minimum discount of 20% for its merchandise and targets customers in the 20-35 age group. The chain had more than a million customers within its first year of operation and witness a footfall between 2000-5000 customers per day.

The thought behind Brand Factory is to raise the bar of expectation and experience when it comes to 'Brand + Bargain Shopping. Brand Factory promises to offer fashion brands at factory prices, without compromising on shopping experience. Factory outlets have become distinct shopping destinations with distinct audiences. About 25 per cent to the brand's revenues come from factory outlets. But what is compromised here is the brand and its image. Brand equity is diluted; customer treatment and shopping experience are poor. Brand Factory offer brands at discounts and also provide the treatment and shopping experience that the customer deserves. There won't be a seconds' sales experience or the feel of a garage sale at Brand Factory. It's all about buying smart, not cheap.

The Brand Factory outlets will offer seamless space, fully air-conditioned, slickly designed, with parking space, and span across 60,000 to 1 lakh sq ft each. The first `Brand Factory' outlet offering 120 brands will be opened in Bangalore. It will be spread across an area of 70,000 sq ft.

The stores offers a wide range of products including apparels for men and women; infant wear; accessories; cosmetics; footwear; sportswear, luggage; home linen and much more. Brands to be retailed include Arrow, Esprit, Van Heusen, Levis, Reebok, Lee, Pepe, Wrangler and Provogue. The minimum discount is 20 per cent; average discounts on brands will be 35-40 per cent. The target customers are those belonging to the 20-35 years age-group.

The retail chain is looking to open 55 such outlets in 40 cities by 2010. By end-July, there will be three more outlets in the country. The second outlet will be opened in Hyderabad, while the third one will come up in Ahmedabad. Pantaloon's Future Group intends to take the concept to all metros and `A' class towns with 10 lakh population.The market size of value retailing in the country is estimated at Rs 35,000-40,000 crore and growing at 20 per cent per annum.

Central

Shop, Eat and Celebrate

Launched in May'04 at Bangalore, Central is a showcase, seamless mall and the first of its kind in India. The thought behind this pioneering concept was to give customers an unobstructed and a pure shopping experience and to ensure the best brands in the Indian market are made available to the discerning Indian customer. Central offers everything for the urban aspirational shopper to shop, eat and celebrate. Located in the heart of the city, Central believes its customers should not have to travel long distances to reach.

Central houses over 300 brands across categories, such as apparel, footwear and accessories for women, men, children and infants, apart from a whole range of Music, Books, Coffee Shops, Food Courts, Super Markets (Food Bazaar), Fine Dining Restaurants, Pubs and Discotheques. The mall also has a separate section for services such as Travel, Finance, Investment, Insurance, Concert/Cinema Ticket Booking, Bill Payments and other miscellaneous services. In addition, Central houses Central Square, a dedicated space for product launches, impromptu events, daring displays, exciting shows, and art exhibitions. Central is an integral part of the city and in the long run a City should become part of central!

In a short span of its existence Central has revolutionized and redefined the shopping experience in India. At Central, customers no longer only shop, they get shop-atained!

Chapter 4

DATA ANALYSIS AND INTERPRETATION

Table showing age wise classification of respondents

AGE WISE CLASSIFICATION OF RESPONDENTS

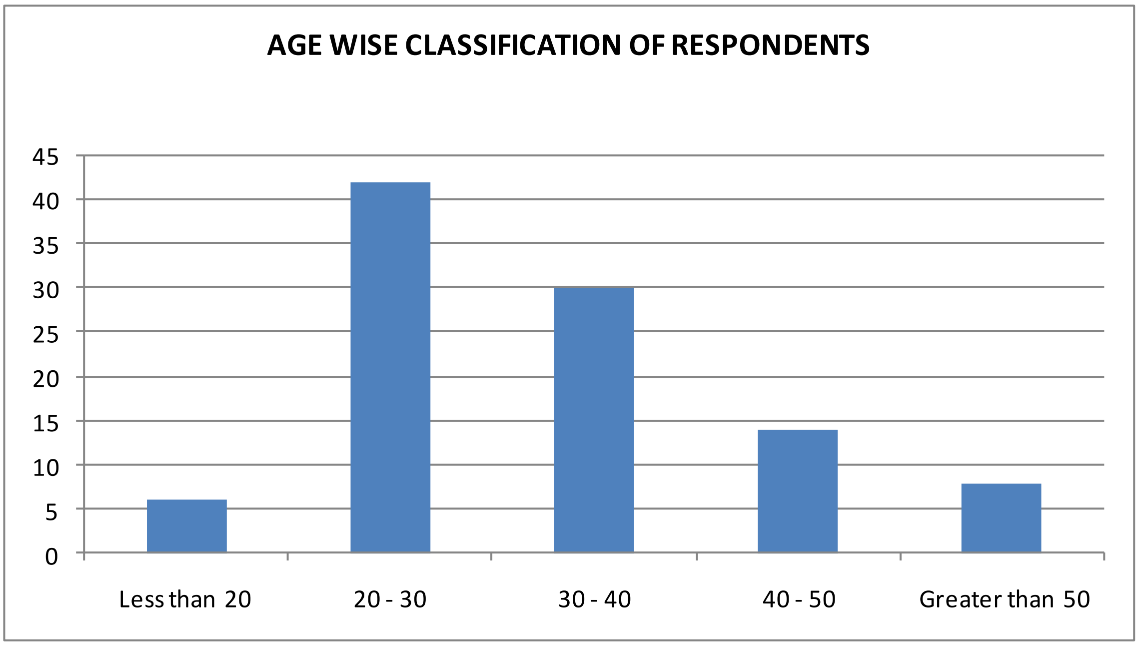
Particulars	No. of respondents	Percentage
Less than 20	6	6%
20 - 30	42	42%
30 - 40	30	30%
40 - 50	14	14%
Greater than 50	8	8%
Total	100	100%

Table 4.1

INTERPRETATION

Above table shows that 42% of the respondents fall under the age group of 20 – 30 years, 30 % of the respondents fall under the age group of 30 –40 years, 14 % of respondents fall under the age group of 40 –50 years, 6% of the respondents fall under the age group of, below 20 years, 8 % of respondents fall under the age group of 50 years and above.

Graph showing age wise classification of respondents



Graph 4.1

Table showing Gender wise Classification of Respondents

GENDER WISE CLASSIFICATION OF RESPONDENTS

Particulars	No. of respondents	Percentage
Male	**65**	**65%**
Female	**35**	**35%**
Total	**100**	**100%**

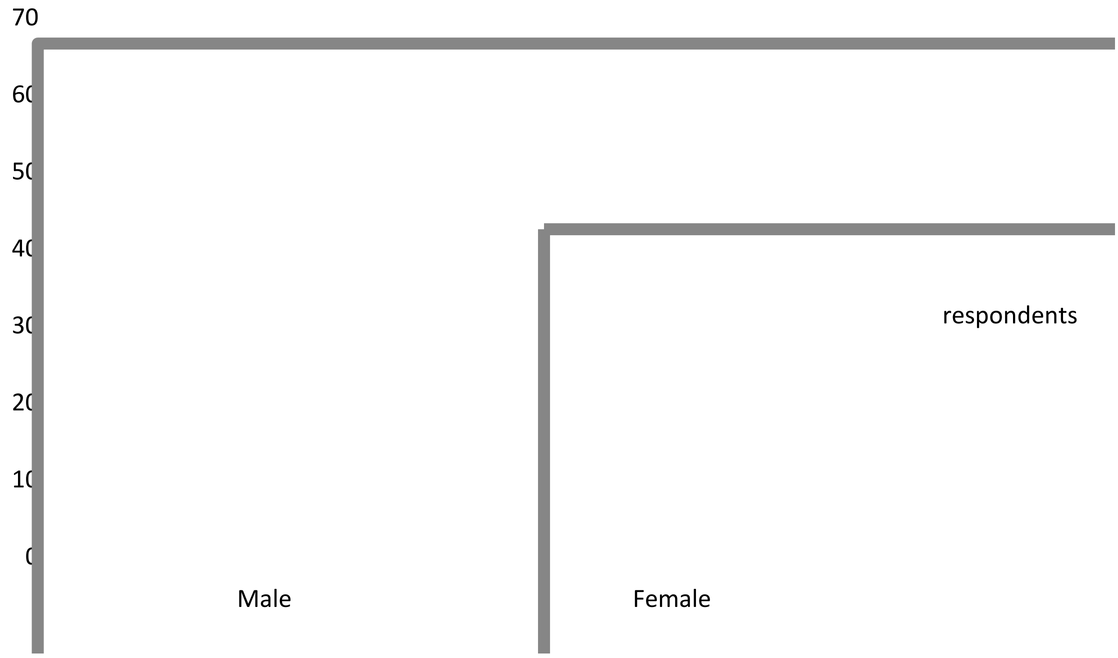
Table 4.2

INTERPRETATION

Above table shows that, 65% of respondents are male and 35% of respondents are female

Graph showing Gender wise Classification of Respondents

GENDER WISE CLASSIFICATION OF RESPONDENTS



Graph 4.2

Table showing marital status of respondents

MARITAL WISE CLASSIFICATION OF RESPONDENTS

Particulars	No. of respondents	Percentage
Married	**56**	**56%**
Unmarried	**44**	**44%**
Total	**100**	**100%**

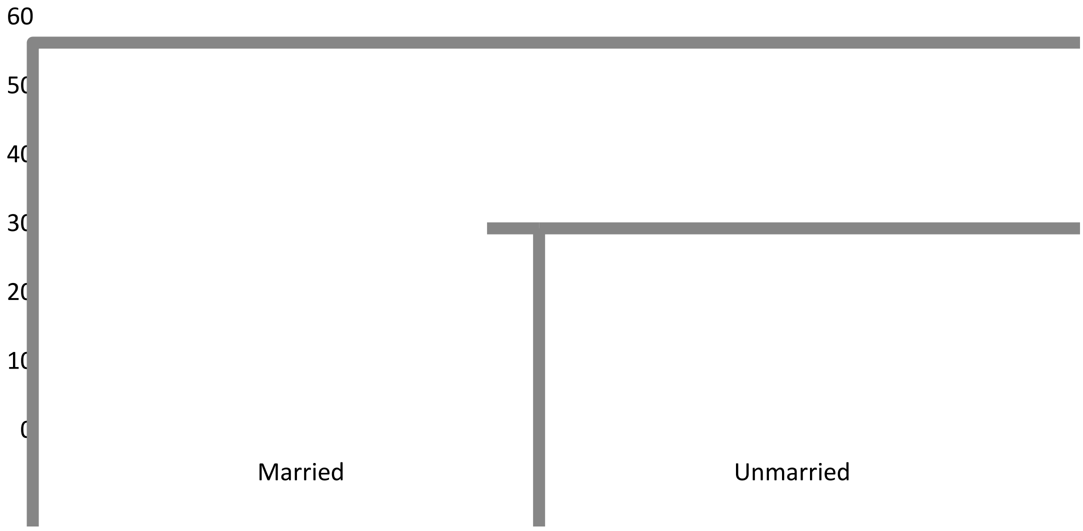
Table 4.3

INTERPRETATION

Above table shows that 44% of respondents are Un-married and 56 % of respondents are married.

Graph showing marital status of respondents

MARITAL STATUS OF THE RESPONDENTS



Graph 4.3

Table showing Occupation wise classification of respondents

OCCUPATION WISE CLASSIFICATION OF RESPONDENTS

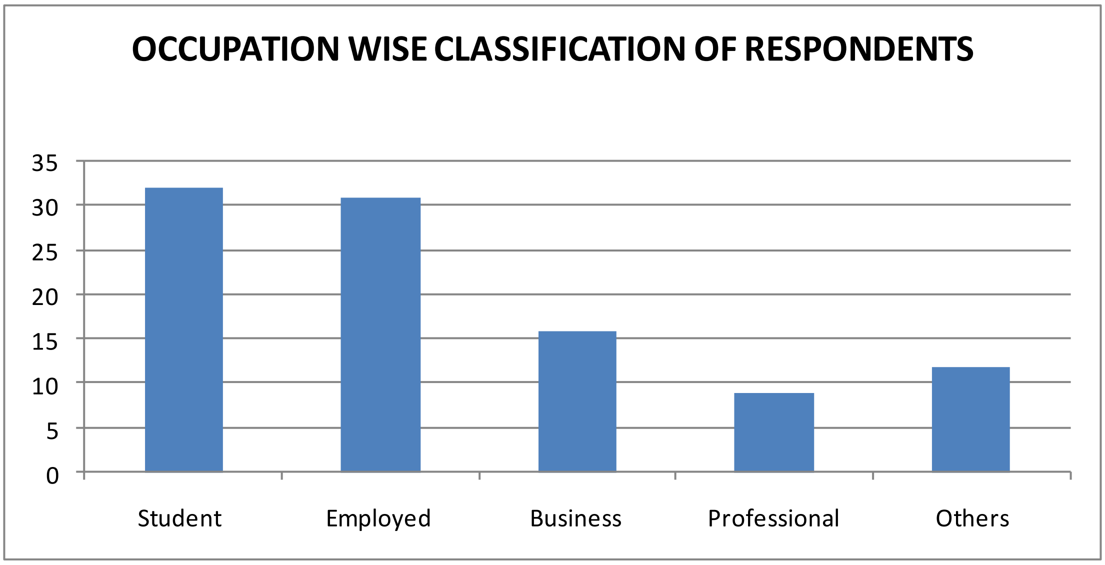
Particulars	No. of respondents	Percentage
Student	32	32%
Employed	31	31%
Business	16	16%
Professional	9	9%
Others	12	12%
total	100	100%

Table 4.4

INTERPRETATION

From the above table it is clear that 32% of the respondents are students, 9% of the respondents are professional, 31% of the respondents are employees, 16% of respondents own their business and 12% of respondents are from others

Graph showing Occupation wise classification of respondents



Graph 4.4

Table showing income wise classification of respondents

INCOME WISE CLASSIFICATION OF RESPONDENTS

Particulars	No. of respondents	Percentage
Less than 10000	**12**	**12%**
10000 – 20000	**42**	**42%**
Above 20000	**46**	**46%**
Total	**100**	**100%**

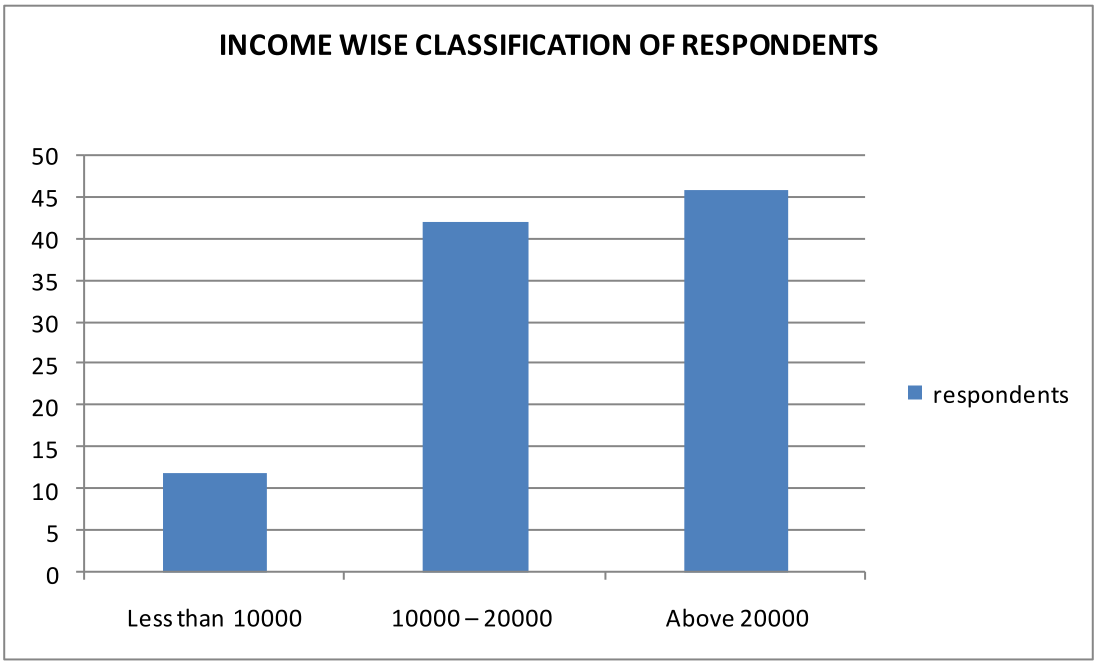
Table 4.5

INTERPRETATION

Above table shows that 46 % of the respondents fall under the income group of 20000& above, 42% of the respondents fall under the income group of Rs.10,000-20000, 12% of the respondents fall under the income group of Rs.10000& Below

.

Graph showing income wise classification of respondents



Graph 4.5

Table showing respondents' awareness about organized retailing

AWARENESS OF ORGANIZED RETAILING

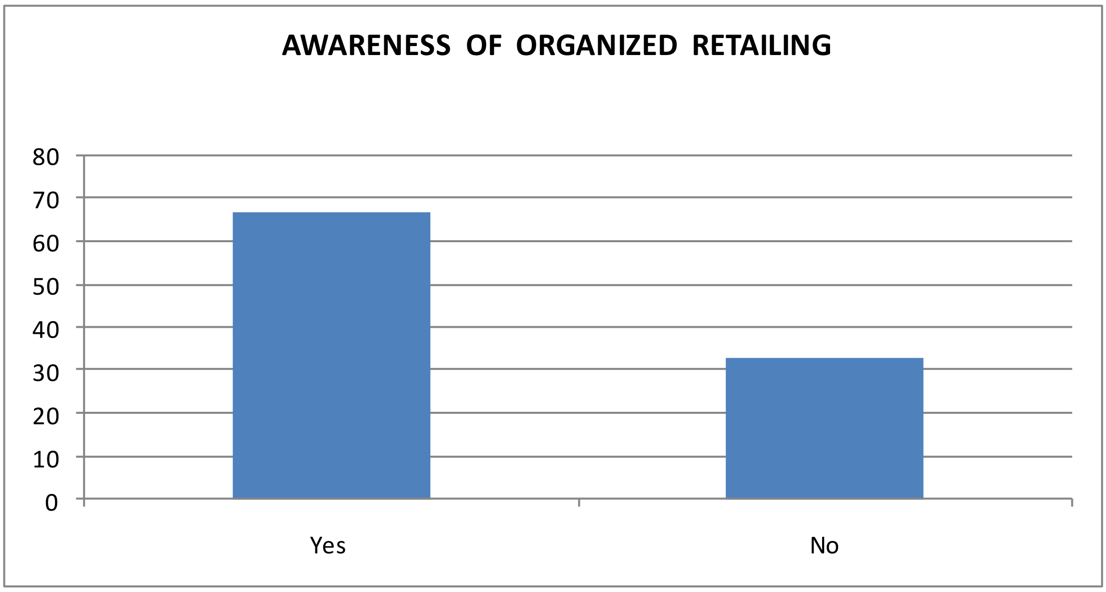
Particulars	No. of respondents	Percentage
Yes	**67**	**67%**
No	**33**	**33%**
Total	**100**	**100%**

Table 4.6

INTERPRETATION

The above table shows that, 67% of respondents are aware about organized retailing and 33% of respondents are unaware about organized retailing.

Graph showing respondents' awareness about organized retailing



Graph 4.6

Table showing the purchase point of respondents

PURCHASE POINT OF RESPONDENTS

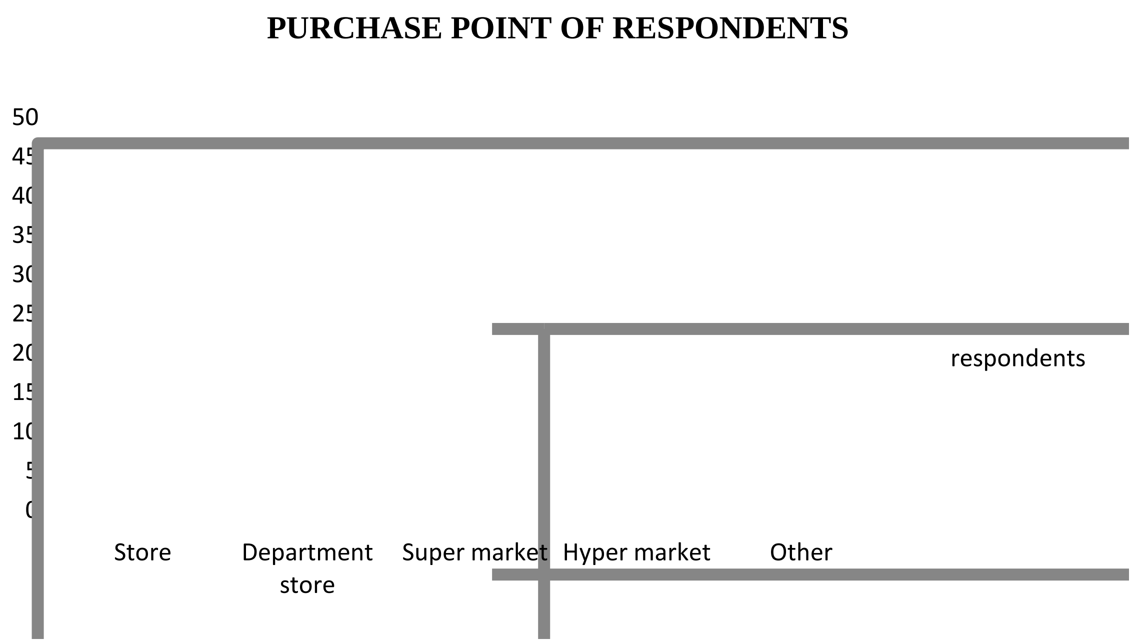
Particulars	No. of respondents	Percentage
Store	**23**	**23%**
Department store	**02**	**02%**
Super market	**44**	**44%**
Hyper market	**31**	**31%**
Other	**00**	**00%**
Total	**100**	**100%**

Table 4.7

INTERPRETATION

Above table shows, 23% of respondents are buying products from store. 02% of respondents are buying products from department store. 44% of respondents are buying products from super market. 31% of respondents are buying products from hyper market and 00% of respondents are buying products from others.

Graph showing opinion about the purchase point of respondents



Graph 4.7

Table showing the opinion of respondents about future group

OPINION OF RESPONDENTS ABOUT FUTURE GROUP

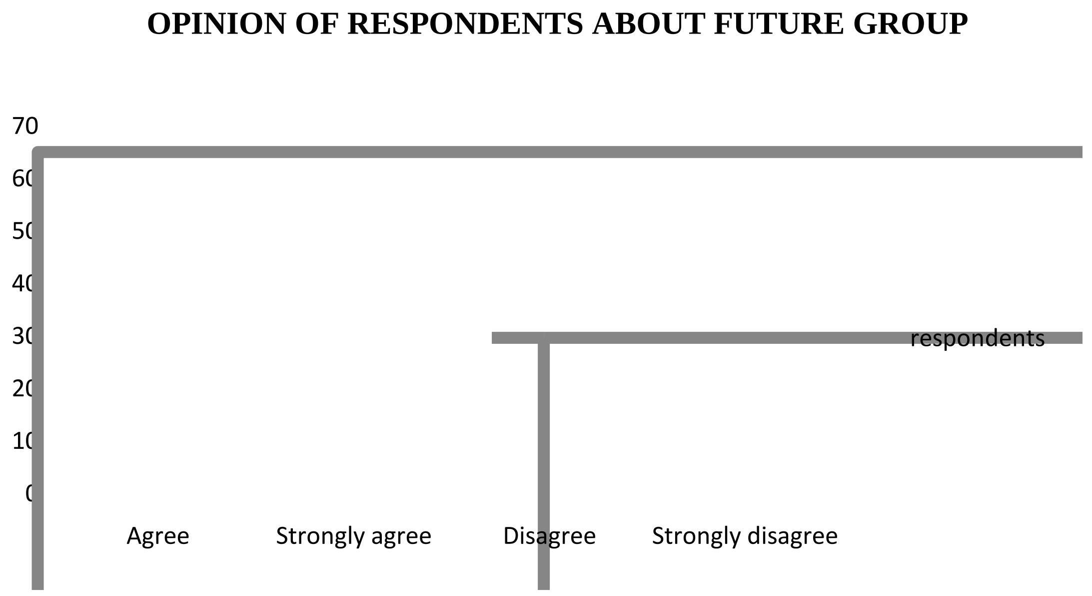
Particulars	No. of respondents	Percentage
Agree	**62**	**62%**
Strongly agree	**24**	**24%**
Disagree	**12**	**12%**
Strongly disagree	**2**	**2%**
Total	**100**	**100%**

Table 4.8

INTERPRETATION

From the above table shows, 62% of respondents are agreed that future group is the leading among all other retailers, 24% of respondents are strongly agreed that future group is the leading among all other retailers, 12% of respondents are disagreed that future group is the leading among all other retailers, 2% of respondents are strongly disagreed that future group is the leading among all other retailers.

Graph showing the opinion of respondents about future group



Graph 4.8

Table showing Consumer preference for buying under one roof

PREFERENCE WISE CLASSIFICATION OF RESPONDENTS

Particulars	No. of respondents	Percentage
yes	**82**	**82%**
No	**18**	**18%**
Total	**100**	**100%**

Table 4.9

INTERPRETATION

Above table shows that, 82% of respondents are prefer to buy goods under one roof, 18% of respondents are did not prefer to buy goods under one roof.

Graph showing Consumer preference for buying under one roof

PREFERENCE WISE CLASSIFICATION OF RESPONDENTS

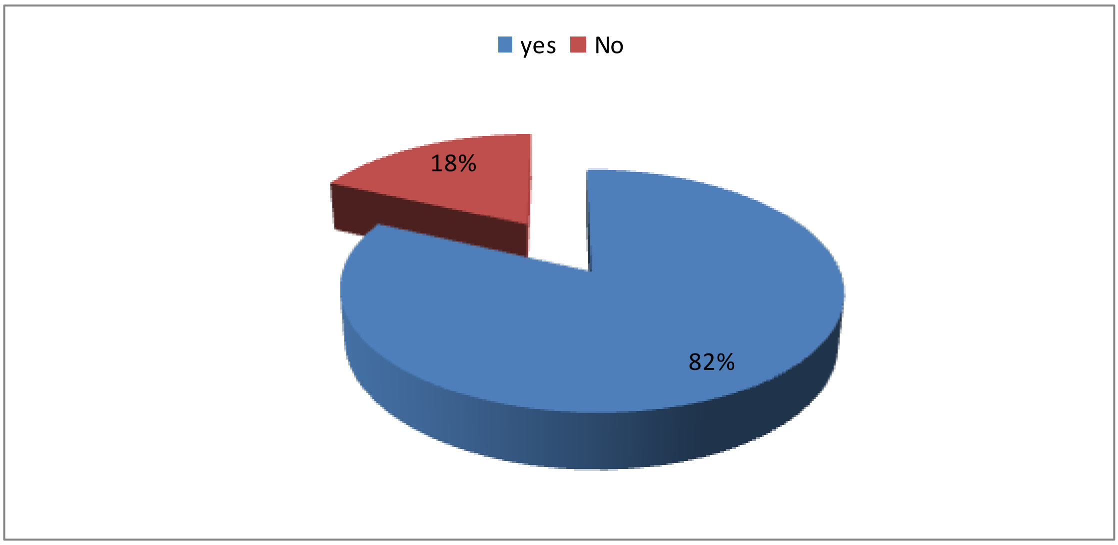


Chart 4.1

Table showing, opinion of respondents about the availability of goods under one roof

OPINION OF RESPONDENTS

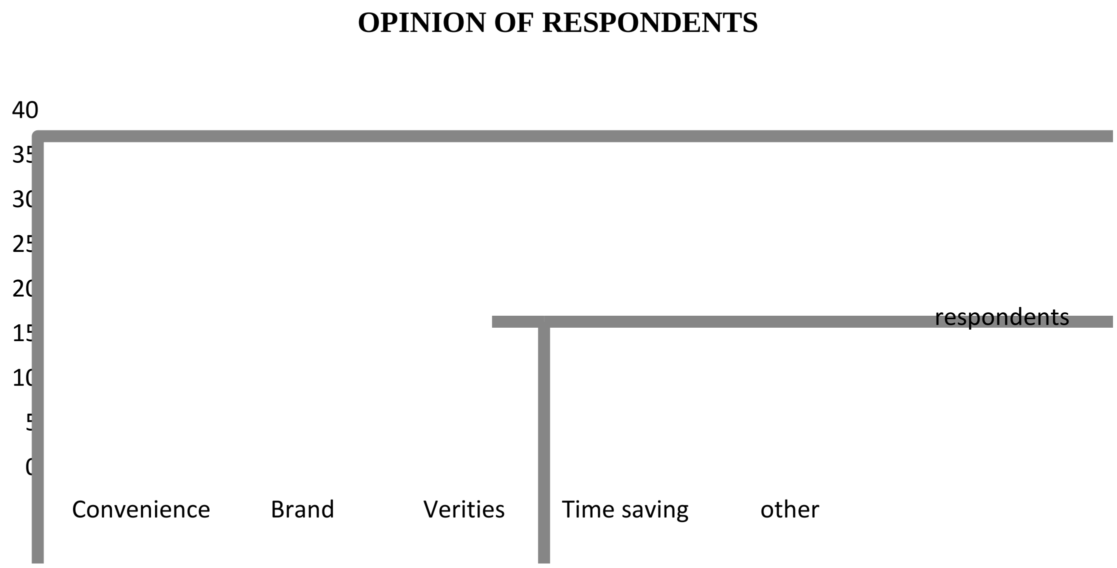
Particulars	No. of respondents	Percentage
Convenience	**12**	**12%**
Brand	**12**	**12%**
Verities	**18**	**18%**
Time saving	**38**	**38%**
other	**2**	**2%**
Total	**82**	**82%**

Table 4.10

INTERPRETATION

Above table shows that, 12% of respondents prefer buying under one roof because of convenience. 12% of respondents prefer buying under one roof because of brand availability. 18% of respondents prefer buying under one roof because of availability of verities. 38% of respondents prefer buying under one roof because of time saving and 2% of respondents prefer buying under one roof because of other reasons

Graph showing, opinion of respondents about the availability of goods under one roof



Graph 4.9

Table showing consumer awareness about future group retailing outlets

CONSUMER AWARENESS ABOUT FUTURE GROUP RETAILING OUTLETS

Particulars	No. of respondents	Percentage
Yes	**100**	**100%**
No	**00**	**00%**
Total	**100**	**100%**

Table 4.11

INTERPRETATION

100% 0f respondents are aware about future group's different outlets

CONSUMER AWARENESS ABOUT FUTURE GROUP RETAILING OUTLETS

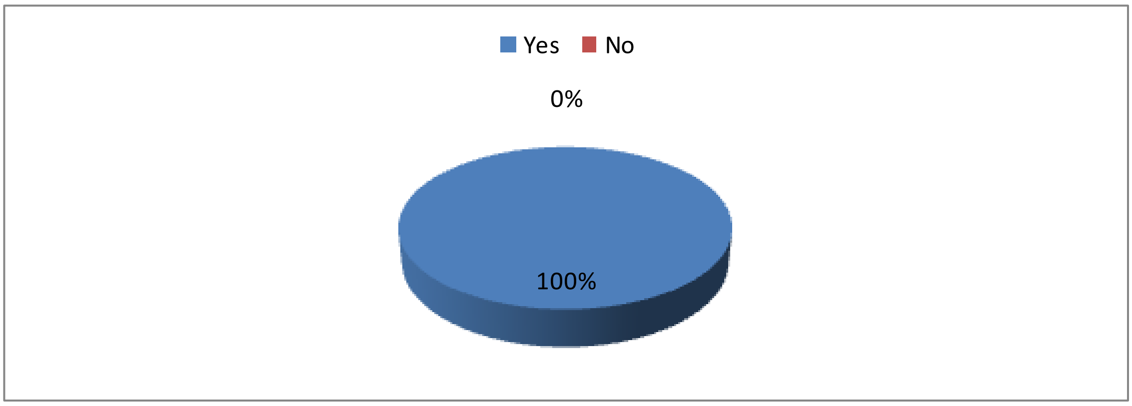


Chart 4.2

Table showing, the customer preferences towards the different formats of future group

CUSTOMER PREFERENCES TOWARDS THE DIFFERENT FORMATS OF FUTURE GROUP

Particulars	No. of respondents	Percentage
Big bazaar	**48**	**48%**
Central	**8**	**8%**
Brand factory	**18**	**18%**
E-Zone	**4**	**4%**
Food bazaar	**22**	**22%**
Total	**100**	**100%**

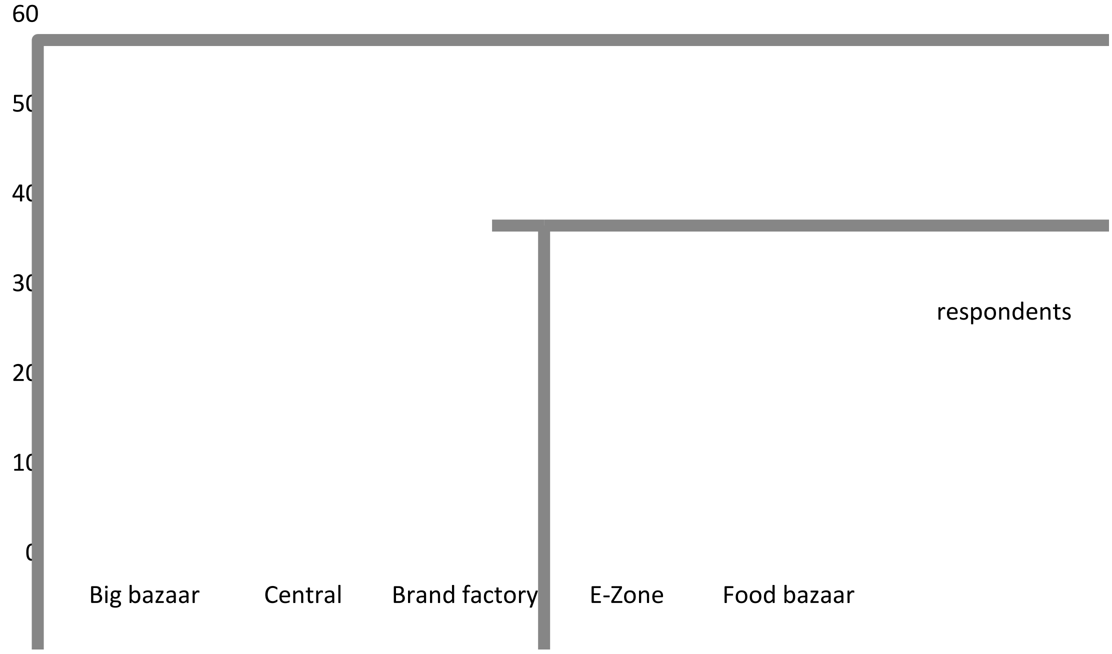
Table 4.12

INTERPRETATION

Above table shows, out of 100 responders 48% of respondents selected big bazaar, 8% of respondents selected central, 18% of respondents selected brand factory,4% of respondents selected E-Zone, and 22% of respondents selected food bazaar.

Graph showing, the customer preferences towards the different formats of future group

CUSTOMER PREFERENCES TOWARDS THE DIFFERENT FORMATS OF FUTURE GROUP



Graph 4.10

Table showing, respondents preference for buying products from pantaloons

RESPONDENTS PREFERENCE FOR BUYING PRODUCTS FROM PANTALOONS

Particulars	No. of respondents	Percentage
Agree	**50**	**50%**
Strongly agree	**28**	**28%**
Disagree	**22**	**22%**
Strongly disagree	**0**	**0%**

Total	100	100%

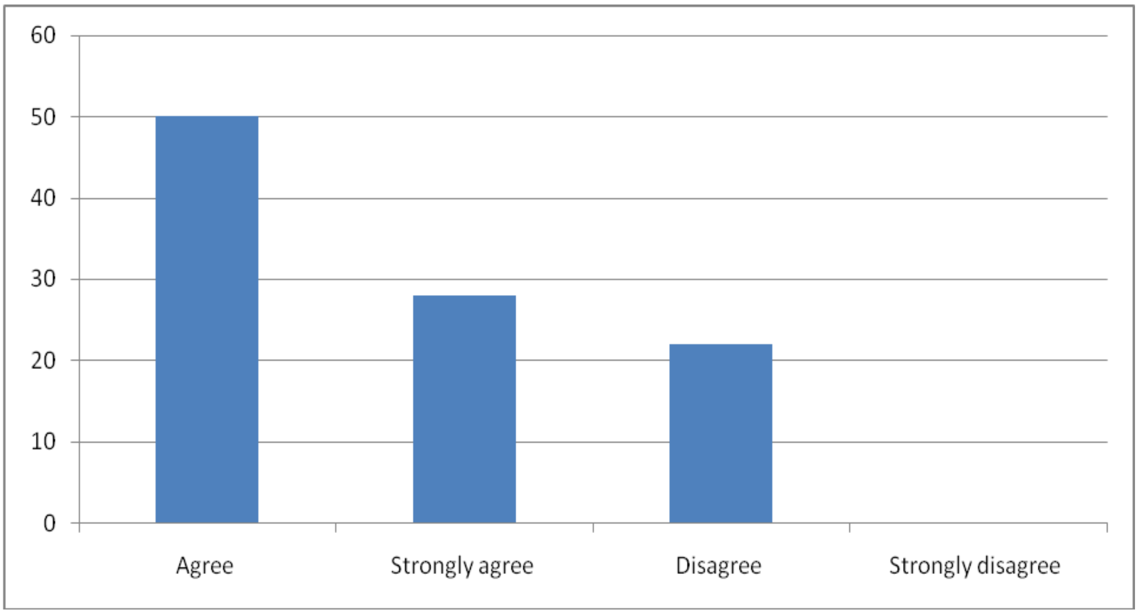
Table 4.13

INTERPRETATION

Above table shows, 50% of respondents agree for buying products from pantaloons, 28% of respondents strongly agree for buying products from pantaloons, 22% of respondents disagree for buying products from pantaloons and 0% of respondents strongly disagree for buying products from pantaloons.

Graph showing, respondents preference for buying products from pantaloons

RESPONDENTS PREFERENCE FOR BUYING PRODUCTS FROM PANTALOONS



Graph 4.11

Table showing, respondents preference for buying products from big bazaar

RESPONDENTS PREFERENCE FOR BUYING PRODUCTS FROM BIG BAZAAR

Particulars	No. of respondents	Percentage
Agree	44	44%
Strongly agree	36	36%
Disagree	17	17%
Strongly disagree	3	3%

Total	**100**	**100%**

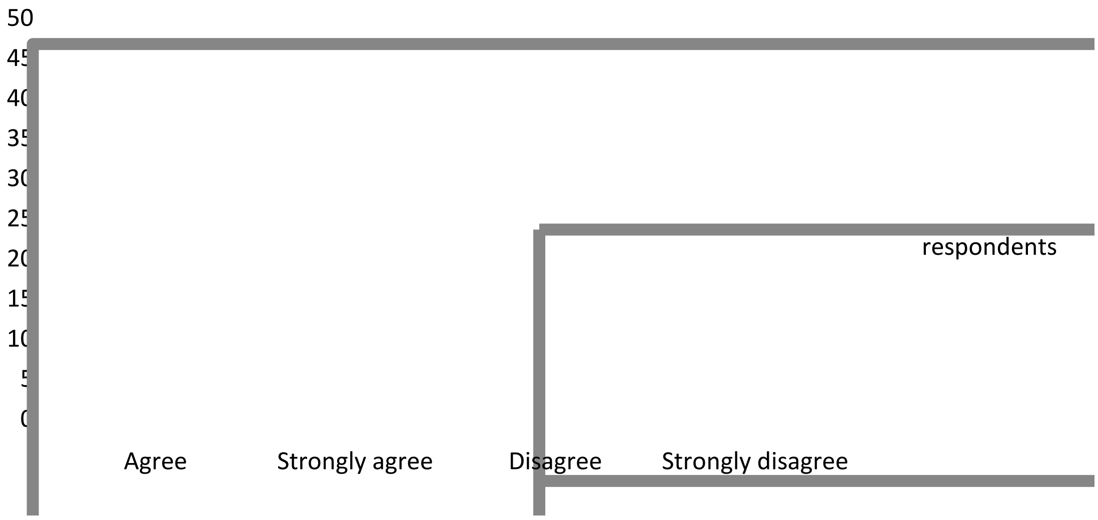
Table 4.14

INTERPRETATION

Above table shows, 44% of respondents agree for buying products from big bazaar, 36% of respondents strongly agree for buying products from big bazaar, 17% of respondents disagree for buying products from big bazaar and 3% of respondents strongly disagree for buying products from big bazaar

Graph showing, respondents preference for buying products from big bazaar.

RESPONDENTS PREFERENCE FOR BUYING PRODUCTS FROM BIG BAZAAR



Graph 4.12

Table showing respondents preference for buying products from E-Zone

RESPONDENTS PREFERENCE FOR BUYING PRODUCTS FROM E-ZONE

Particulars	No. of respondents	Percentage
Agree	**42**	**42%**
Strongly agree	**12**	**12%**
Disagree	**38**	**38%**
Strongly disagree	**8**	**8%**

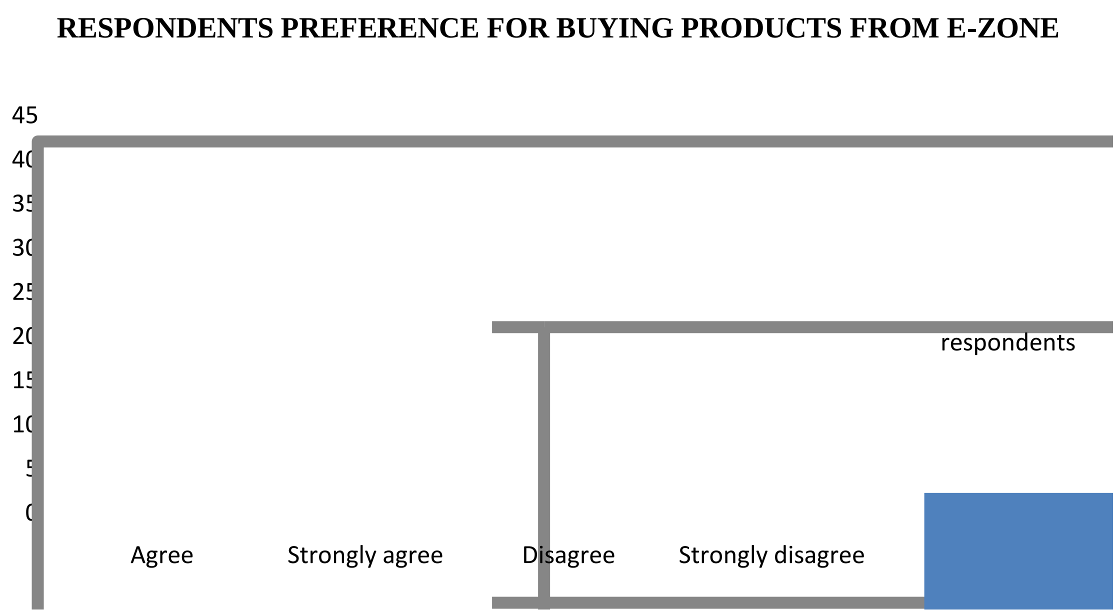
Total	**100**	**100%**

Table 4.15

INTERPRETATION

Above table shows, 42% 0f respondents agree that E-Zone is the best electronic bazaar in Bangalore, 12% 0f respondents strongly agree that E-Zone is the best electronic bazaar in Bangalore, 38% 0f respondents disagree that E-Zone is the best electronic bazaar in Bangalore, 8% 0f respondents strongly disagree that E-Zone is the best electronic bazaar in Bangalore

Graph showing respondents preference for buying products from E-Zone



Graph 4.13

Table showing, Consumer awareness about retailing formats

CONSUMER AWARENESS ABOUT RETAILING FORMATS

Particulars	No. of respondents	Percentage
Yes	**62**	**62%**
No	**38**	**38%**

Total	100	100%

Table 4.16

INTERPRETATION

Above table shows, 38% of consumers were unaware about retailing formats and 62% of consumers were aware about retailing formats

Chart showing, Consumer awareness about retailing formats

CONSUMER AWARENESS ABOUT RETAILING FORMATS

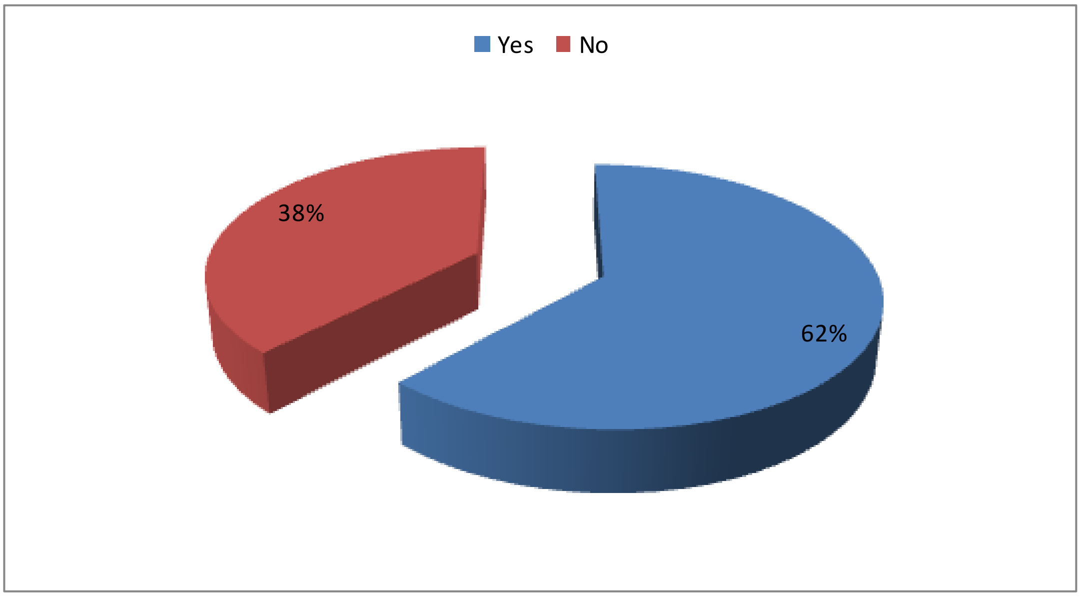


Chart 4.3

Table showing, the awareness of customers towards retail formats.

AWARENESS OF CUSTOMERS TOWARDS RETAIL FORMATS

Particulars	No. of respondents	Percentage
malls	10	10%
Department stores	02	02%
Specialty store	04	04%

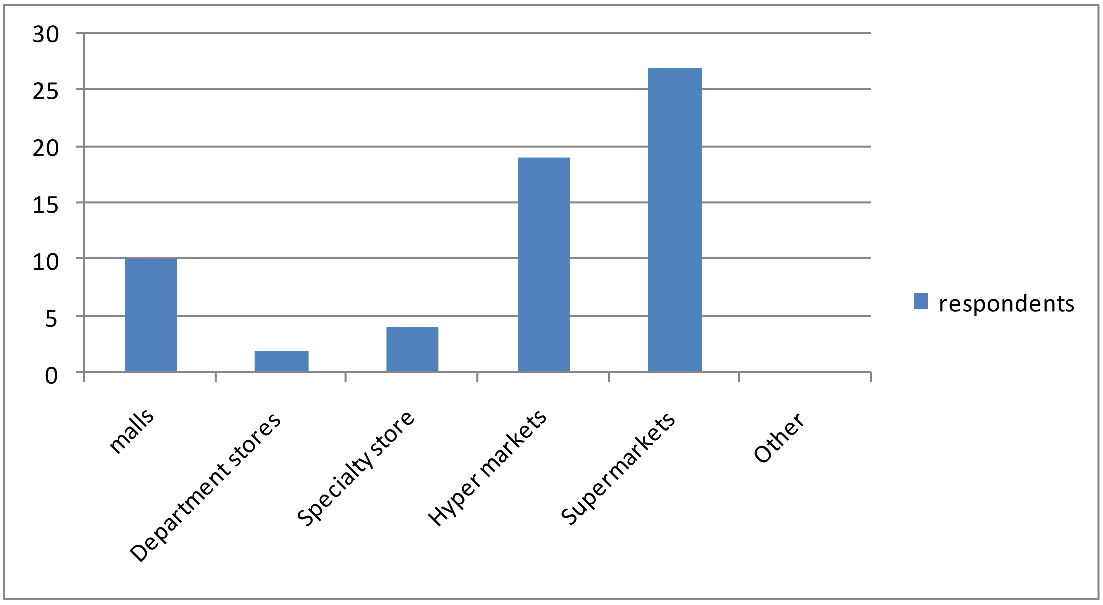
Hyper markets	**19**	**19%**
Supermarkets	**27**	**27%**
Other	**00**	**00%**
Total	**62**	**62%**

Table 4.17

Above table shows, Out of 62 respondents, 10% of respondents aware about mall, 2% of respondents aware about department stores, 4% of respondents aware about specialty stores,19% of respondents aware about hyper market, 27% of respondents aware about super market and 0% of respondents aware about Other retail formats

Graph showing, Retailing formats which aware by responders

AWARENESS OF CUSTOMERS TOWARDS RETAIL FORMATS



Graph 4.14

Table showing, the awareness of customers towards retail formats of future group.

AWARENESS OF CUSTOMERS TOWARDS RETAIL FORMATS OF FUTURE GROUP

Particulars	**No. of respondents**	**Percentage**
Pantaloons	**20**	**20%**
Star bazaar	**05**	**05%**
more	**04**	**04%**

Big bazaar	**33**	**33%**
Food bazaar	**21**	**21%**
Subiksha	**17**	**17%**
Total	**100**	**100%**

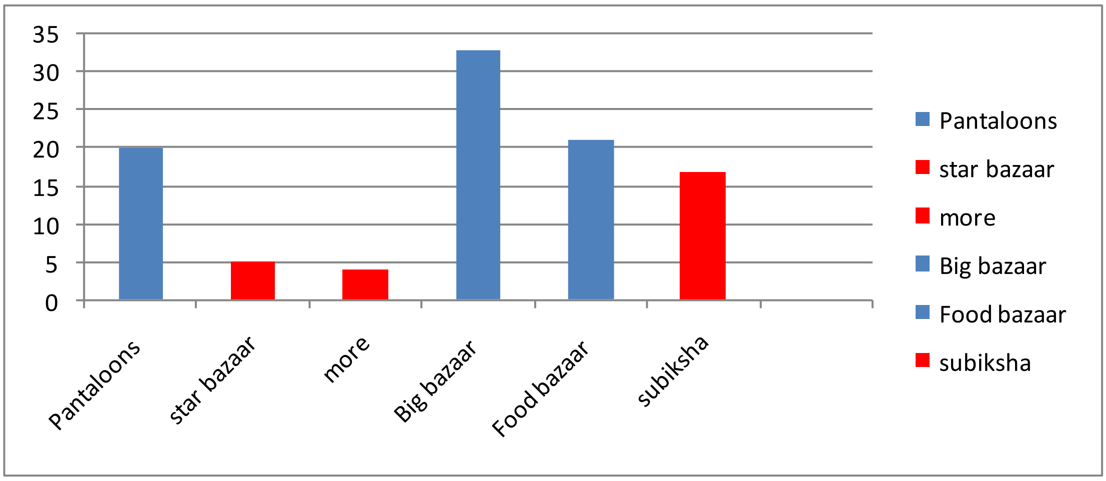
Table 4.18

INTERPRETATION

Above table shows, out of 100 respondents 20% of respondents are aware about pantaloons, 33% of respondents are aware about big bazaar, 21% of respondents are aware about food bazaar and 17% of respondents selected subiksha, 5% respondents selected star bazaar and 4% of respondents selected more. So out of 100 respondents 26% of peoples unaware about retailing formats of future group.

Graph showing, the awareness of customers towards retail formats of future group.

AWARENESS OF CUSTOMERS TOWARDS RETAIL FORMATS OF FUTURE GROUP



Graph 4.15

Table showing, responders interest towards different retail formats of future group

RESPONDERS INTEREST TOWARDS DIFFERENT RETAIL FORMATS OF FUTUREGROUP

Particulars	No. of respondents	Percentage

pantaloons	**16**	**16%**
central	**05**	**05%**
E-Zone	**03**	**03%**
Big bazaar	**30**	**30%**
Food bazaar	**14**	**14%**
Brand factory	**26**	**26%**
Furniture bazaar	**02**	**02%**
Other	**04**	**04%**
Total	**100**	**100%**

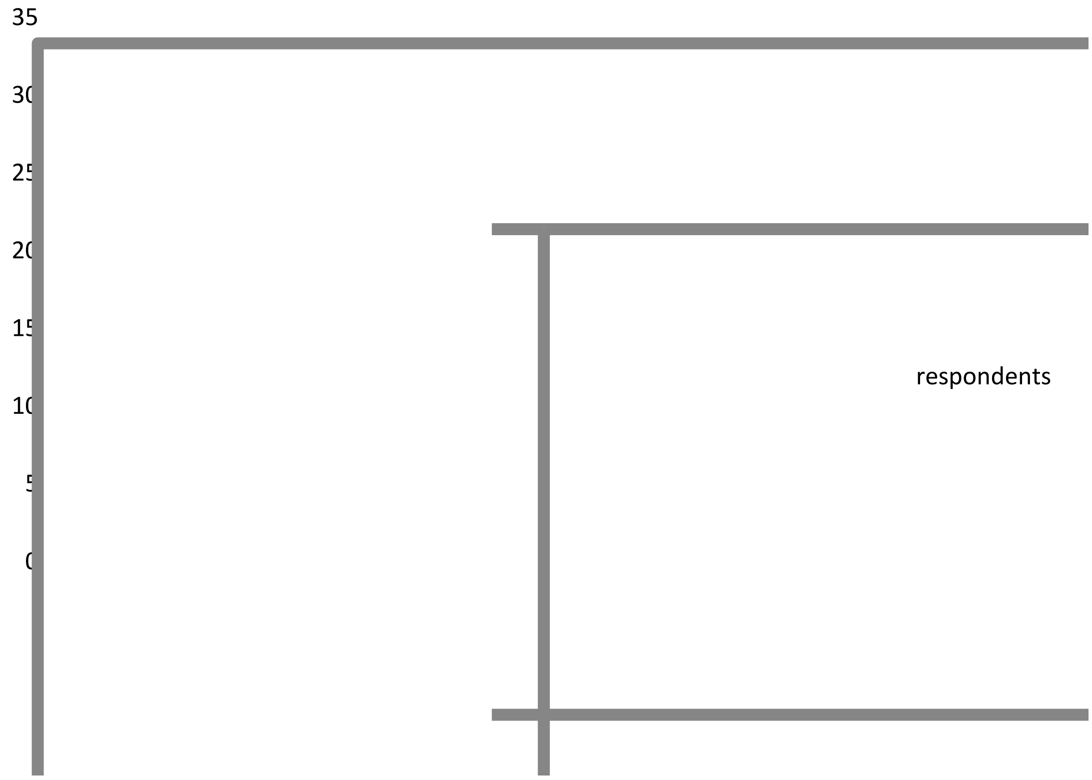
Table 4.19

INTERPRETATION

Table shows, out of 100 responders, 16% of responders are most like to buy products from pantaloons, 5% of responders are most like to buy products from central, 3% of responders are most like to buy products from E-Zone, 30% of responders are most like to buy products from big bazaar, 26% of responders are most like to buy products from brand factory, 2% of responders are most like to buy products from furniture bazaar and 4% of responders are most like to buy products from other retailing formats which comes under future group.

Graph showing, responders interest towards different retail formats of future group

RESPONDERS INTEREST TOWARDS DIFFERENT RETAIL FORMATS OF FUTUREGROUP



Graph 4.16

Table showing, how frequently the customers visit following retail outlets.

HOW FREQUENTLY THE CUSTOMERS VISIT FOLLOWING RETAIL OUTLETS

particulars	No. of respondents visit quarterly	%	No. of respondents visit half of year	%	No. of respondents visit yearly	%	No. of respondents never visit	%	Total	%
Pantaloons	18	18%	26	26%	18	18%	38	38%	100	100%
Brand factory	26	26%	25	25%	15	15%	34	34%	100	100%
E-Zone	04	04%	11	11%	24	24%	61	61%	100	100%
Big bazaar	62	62%	18	18%	08	08%	12	12%	100	100%
Central	28	28%	18	18%	13	13%	41	41%	100	100%
Food bazaar	64	64%	18	18%	08	08%	10	10%	100	100%

Table 4.20

INTERPRETATION

Above table shows, out of 100 respondents 18% of respondents visits pantaloons quarterly, 26% of respondents visits pantaloons halfly, 18% of respondents visits pantaloons yearly and 38% of respondents are never visits pantaloons.

Above table shows, out of 100 respondents 26% of respondents visits brand factory quarterly, 25% of respondents visits brand factory halfly, 15% of respondents visits brand factory yearly and 34% of respondents are never visits brand factory.

Above table shows, out of 100 respondents 04% of respondents visits E-Zone quarterly,11% of respondents visits E-Zone halfly, 24% of respondents visits E-Zone yearly and 61% of respondents are never visits E-Zone.

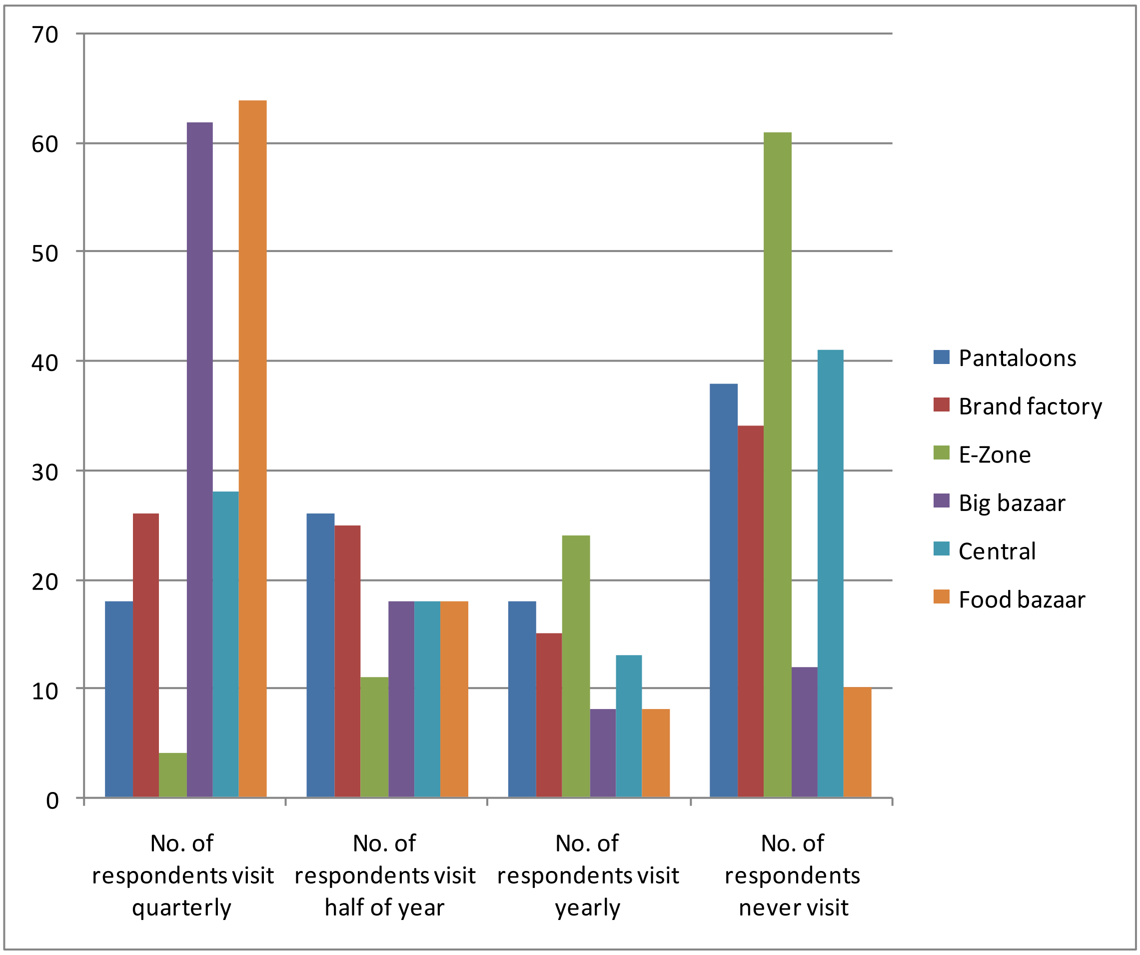
Above table shows, out of 100 respondents 62% of respondents visits Big bazaar quarterly, 18% of respondents visits Big bazaar halfly, 8% of respondents visits Big bazaar yearly and 12% of respondents are never visits Big bazaar.

Above table shows, out of 100 respondents 28% of respondents visits Central quarterly,18% of respondents visits Central halfly, 13% of respondents visits Central yearly and 41% of respondents are never visits Central.

Above table shows, out of 100 respondents 64% of respondents visits Food bazaar quarterly,18% of respondents visits Food bazaar halfly, 08% of respondents visits Food bazaar yearly and 10% of respondents are never visits Food bazaar.

Graph shows, how frequently the customers visit following retail outlets.

HOW FREQUENTLY THE CUSTOMERS VISIT FOLLOWING RETAIL OUTLETS



Graph 4.17

Table showing, supermarkets which selected by customers for usual visit

SUPERMARKETS WHICH SELECTED BY CUSTOMERS FOR USUAL VISIT

Particulars	No. of respondents	Percentage
Food bazaar	**60**	**60%**
Reliance super	**17**	**17%**
Subiksha	**15**	**15 %**
Other	**08**	**8%**
Total	**100**	**100%**

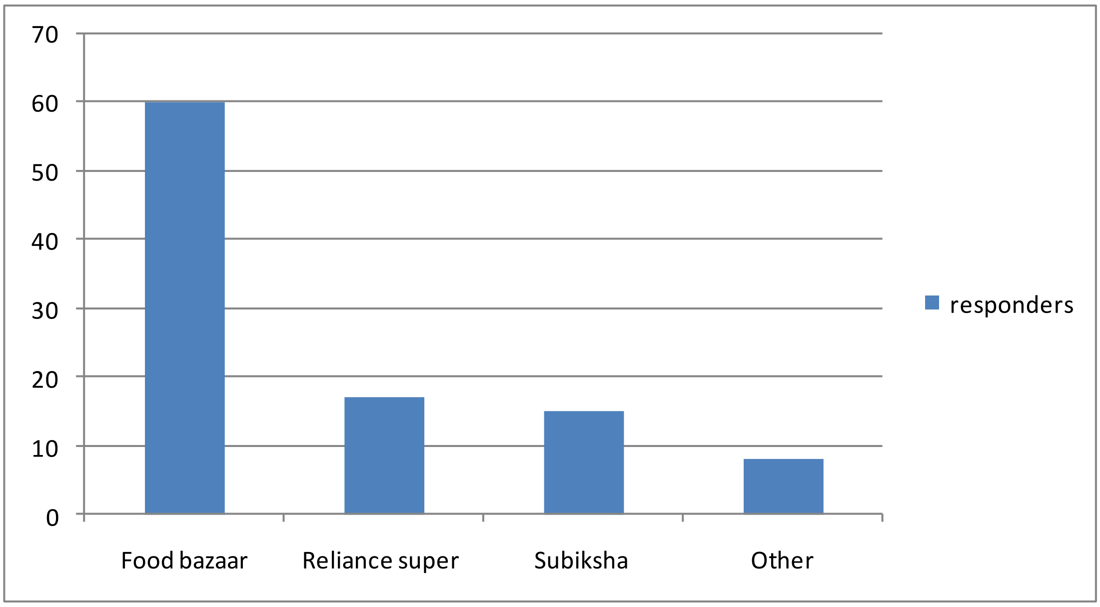
Table 4.21

INTERPRETATION

Above table shows, out of 100 responders 60% of responders are visiting food bazaar very often, 17% of responders are visiting reliance super very often, 15% of responders are visiting subiksha, and remaining 8% of responders are visiting other super markets.

Graph showing, supermarkets which selected by customers for usual visit

SUPERMARKETS WHICH SELECTED BY CUSTOMERS FOR USUAL VISIT



Graph 4.18

Table showing, hypermarkets which selected by customers for usual visit

HYPERMARKETS WHICH SELECTED BY CUSTOMERS FOR USUAL VISIT

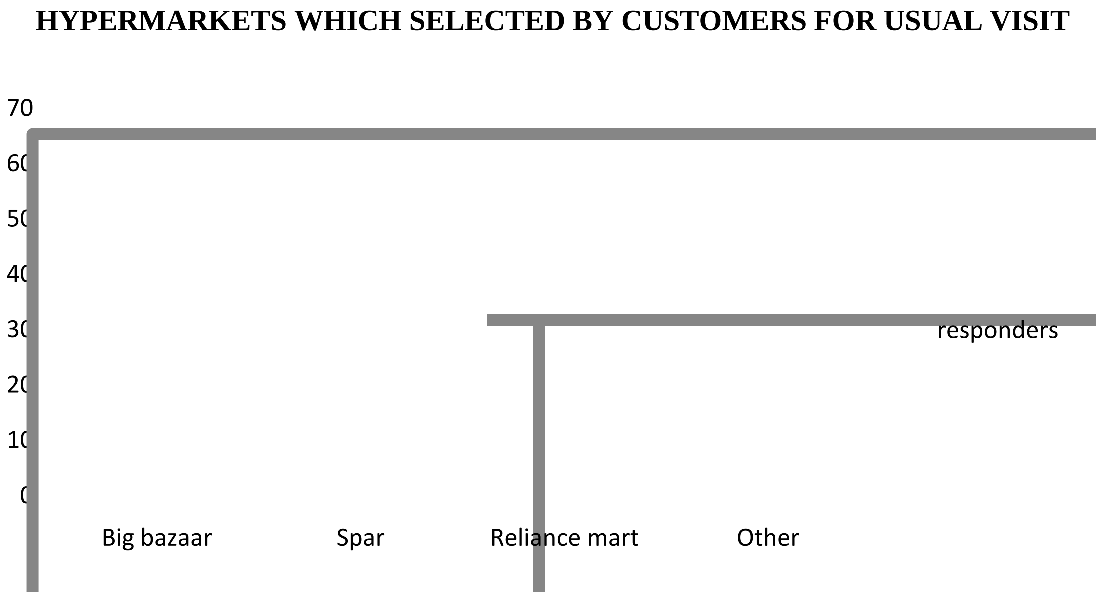
Particulars	No. of respondents	Percentage
Big bazaar	**58**	**58%**
Spar	**21**	**21%**
Reliance mart	**16**	**16%**
Other	**05**	**05%**
Total	**100**	**100%**

Table 4.22

INTERPRETATION

Above table shows, out of 100 responders 58% of responders are visiting big bazaar very often, 21% of responders are visiting spar very often, 16% of responders are visiting reliance mart, and remaining 5% of responders are visiting other hyper markets.

Graph showing, hypermarket which selected by customers for usual visit



Graph 4.19

Table showing suggestions from respondents

SUGGESTIONS FROM RESPONDENTS

Particulars	No. of respondents	Percentage
Parking	**13**	**13%**
Service	**10**	**10%**
Brand	**19**	**19%**
Executive	**3**	**3%**
Quality	**10**	**10%**
Price	**13**	**13%**
Billing	**11**	**11%**
Working Hou	**3**	**3%**
No Answer	**18**	**18%**
Total	**100**	**100%**

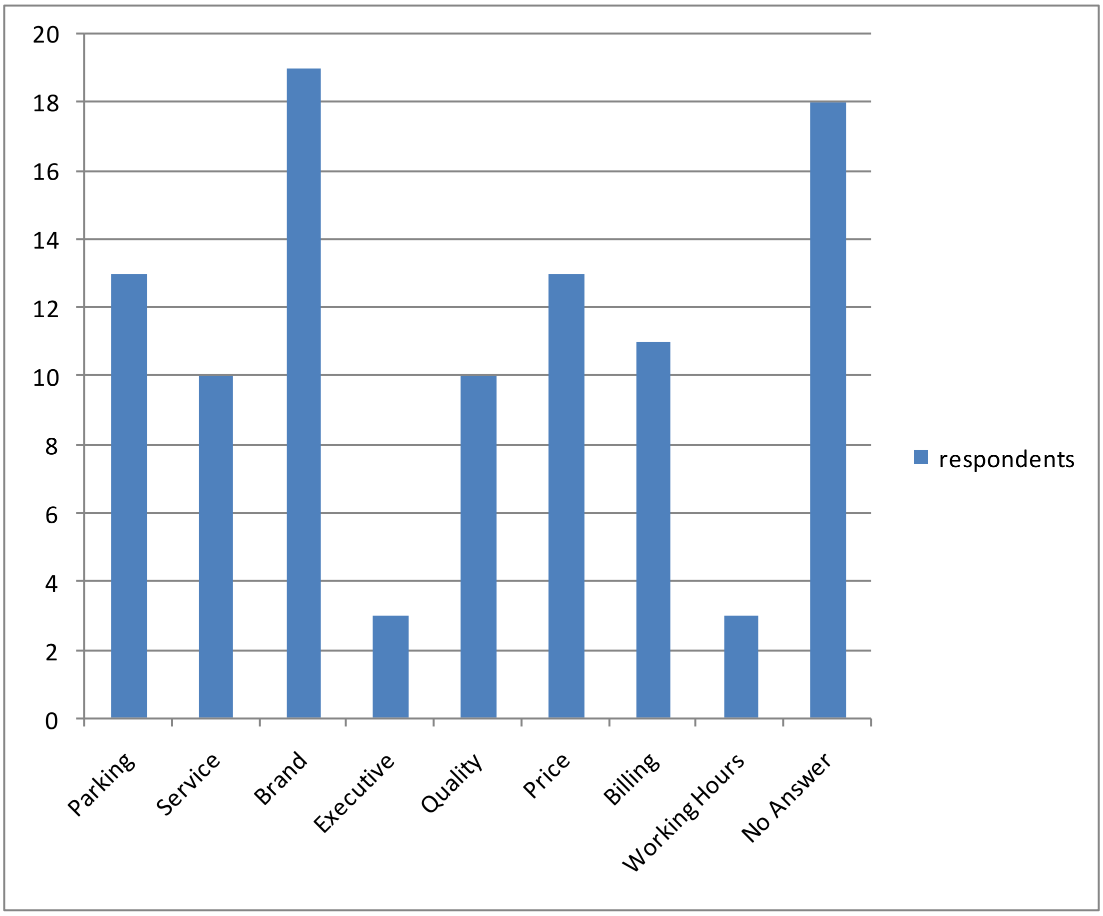
Table 4.23

INTERPRETATION

Above table shows, 13% of them suggested to improve Parking facility, 10% to improve Service, 19% suggested to increase the Branded items, 3% of them said to hire Customer Friendly Executives, 10% said to improve the Quality, 13% said to Reduce the Price of the Products, 11% suggested to increase the Billing Counters, especially at the weekends, 3% of them suggested to increase the Working Hours of the outlets, and finnaly there were 18% of the respondents who has no Complaints.

Graph showing suggestions from respondents

SUGGESTIONS FROM RESPONDENTS



Graph 4.20

Chapter 5

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

1. Out of 100 respondents, 42% of the respondents fall under the age group of 20 –30 years, 30 % of the respondents fall under the age group of 30 –40 years, 14 % of respondents fall under the age group of 40 –50 years, 6% of the respondents fall under the age group of, below 20 years, 8 % of respondents fall under the age group of 50 years and above.

2. From the study, 67% of respondents are aware about organized retailing and 33% of respondents are unaware about organized retailing. 23% of respondents are buying products from store. 02% of respondents are buying products from department store.

3. From the study it is clear that, 44% of respondents are buying products from super market. 31% of respondents are buying products from hyper market and 00% of respondents are buying products from others

4. From the study it is clear that, 62% of respondents are agreed that future group is the leading among all other retailers, 24% of respondents are strongly agreed that future group is the leading among all other retailers, only few percentage of respondents are disagreed that future group is the leading among all other retailers.

5. Majority of respondents are preferred to buy goods under one roof and most of them choose this because of time savings and availability of verities.

6. From the study, out of 100 respondents 48% of respondents selected big bazaar, 18% of respondents selected brand factory, and 22% of respondents selected food bazaar as the best retailing outlet of future group.

7. 50% of respondents agree for buying products from pantaloons, 28% of respondents strongly agree for buying products from pantaloons, and 0% of respondents strongly disagree for buying products from pantaloons. The study clear that majority of respondents are satisfied with pantaloons.

8. From the study it is clear that majority of responders are highly satisfied with big bazaar as a hypermarket in Bangalore city.

9. From the study, 20% of respondents are aware about pantaloons, 33% of respondents are aware about big bazaar, 21% of respondents are aware about food bazaar and 17% of respondents selected subiksha, 5% respondents selected star bazaar and 4% of respondents selected more. So out of 100 respondents 74% of respondents are aware about different retailing out lets of future group and 26% of peoples unaware about retailing formats of future group.

10. From the study it is clear that majority of responders are highly satisfied with food bazaar as a supermarket in Bangalore city.

5.2 SUGGESTION

1. Since most of the people doesn't know more about the formats of retails of future group, future group should create more awareness by using broadcast media.
2. Big bazaar is the retail preferred by most of the customers and they should go more of customer retention strategies to retain the customers.
3. Customer friendly executives should be hired so that customer feels shopping homely.
4. They should concentrate more on promotional strategies about different retail formats.
5. Since people like to shop in malls, future group can attract the customers through the more offers and discounts etc.
6. Parking facilities should be well provided
7. Customers prefer more speciality stores and hence future group can concentrate on speciality store that is E-Zone to attract more customers.
8. To retain the regular customers ,they can go for more of sales promotion activities like bulk discounts, point of purchase displays , festive discounts and others.

5.3 CONCLUSION

India retail industry is the largest industry in India, with an employment of around 8% and contributing to over 10% of the country's GDP. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, changing lifestyles, and favorable demographic patterns. Shopping in India has witnessed a revolution with the change in the consumer buying behavior and the whole format of shopping also altering. Industry of retail in India which have become modern can be seen from the fact that there are multi-stored malls, huge shopping centers, and sprawling complexes which offer food, shopping, and entertainment all under the same roof. The most of the customers are not aware of retail formats of the future group. The future group should concentrate more on the customer awareness strategies to make them understand about the different formats of future group. Most of the customers are loyal to the retail like Big Bazaar, Pantaloon, and Brand factory, the future group should go for more of customer retention strategies to retain the customers. The future group can go for more of promotional strategies to attract the customers.

ANNEXURE

QUESTIONNAIRE

Dear sir/madam

I request you to kindly spare your precious time in filling this questionnaire. Your information is valuable to us. I assure you your responses will be kept confidential.

Thanking you,

Riyas rasheed

1. a) Name ....,

b) Age

☐ < 20 yr ☐ 20-30yr ☐ 30-40yr ☐ 40-50yr ☐>50yr

c) Gender

☐Male ☐ female

d) Marital Status

☐ Married ☐ Unmarried

e) Occupation

☐ Student ☐ Employed ☐ Business

☐ Professional ☐ Others

f) Monthly Income of your family (in Rs)

☐ <10000 ☐ 10000-20000 ☐ > 20000

2. Are you aware of organized retailing?

☐Yes ☐No

3. Where do you buy products?

☐Store ☐Departmental store ☐Super market

☐Hyper market ☐others

4. Future group in the leading among all the relaters?

☐Agree ☐strongly agree ☐disagree

☐Strongly disagree

5. a) Do you prefer buying goods under one roof?

☐yes ☐no

b) If yes then why?

☐convenience ☐brand ☐varieties

☐time saving ☐others

6. a) Are you aware of following outlets?

☐yes ☐no

b) If yes, then which one from the following?

☐Big bazaar ☐Central ☐brand factory

☐E-Zone ☐food Bazaar

7. I prefer buying products from pantaloon very often?

☐agree ☐strongly agree ☐disagree

☐strongly disagree

8. I prefer buying products from Big Bazaar very often?

☐agree ☐strongly agree ☐disagree

☐strongly disagree

9. E-Zone is the best electronic bazaar in Bangalore?

☐agree ☐strongly agree ☐disagree

☐strongly disagree

10. a) Are you aware of the following retail formats?

☐yes ☐no

b) If yes, which retail formats?

☐malls ☐department store

☐speciality store ☐hyper markets

☐super markets ☐others

11. Which retail outlets belongs to future group from the following?

☐pantaloons ☐star

☐more ☐Big Bazaar

☐food bazaar ☐subiksha

12. which retail format of future group you like more from the following?

☐pantaloons ☐central

☐E-Zone ☐Big Bazaar

☐food bazaar ☐brand factory

☐furniture bazaar ☐others

13. How often you visit following retailing outlets?

Sl.	Retail outlets	quarterl	Half year	Yearl	Never visit
1	Pantaloons				
2	Brand factory				
3	E-Zone				
4	Big bazaar				
5	Central				
6	Food bazaar				

14. Which super market you visit very often?

☐food bazaar ☐reliance super

☐subhiksha ☐others

15. Which hyper market you visit very often?

☐Big bazaar ☐spar

☐reliance mart ☐others

16. What are your suggestions for the future group retail out lets?

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