

ORGANIZED RETAILING AND ITS IMPACT ON TRADITIONAL RETAILING IN INDIA: A CASE STUDY OF GUWAHATI CITY

Babita Kalita

Research Scholar, Gauhati University, India

ABSTRACT

The retail industry in India is highly fragmented and unorganized. Earlier on retailing in India was mostly done through family-owned small stores with limited merchandise, popularly known as kirana or mom-and-pop stores. But Retail is one of the fastest growing sectors in the world. Presently, Indian organized retail constitutes 8 per cent of the total retail market and it is growing much faster than traditional retail. It is expected to gain a higher share in the growing pie of the retail market in India. Various estimates put the share of organized retail as 20 per cent by 2020 (Deloitte, 2013). . Unorganized retailers in the vicinity of organized retailers experienced a decline in their volume of business and profit in the initial years after the entry of large organized retailers. Organized retail has adverse impact on sales of unorganized retailing and profit weakens over time. There is some decline in employment in the North and West regions. The rate of closure of unorganized retail shops in gross terms is found to be 4.2 per cent per annum. The study is descriptive in nature and collect data from primary and secondary sources. This paper studies about present status of organized retailing in India and its impact on unorganized retail.

Keywords: Organised retailing, Unorganised retailing, Super Market, FDI, sales turnover

INTRODUCTION

Retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as the government and other bulk customers. Retailing is the last link that connects the individual consumer with the manufacturing and distribution chain. A retailer is involved in the act of selling goods to the individual consumer at a margin of profit. In 2004, the High Court of Delhi defined the term 'retail' as a sale for final consumption in contrast to a sale for further sale or processing (i.e. wholesale). Retail is one of the fastest growing sectors in the world, organised retail constitutes only around 4% of the total retail sales in India, compared to

75-80% in developed countries such as USA, Japan and UK. In India, organized retailing is spreading fast, though the growth is currently focused. India's retailing industry is essentially owner manned small shops. India's retail and logistics industry employs about 40 million Indians (3.3% of Indian population). The retail industry in India is highly fragmented and unorganized. Earlier on retailing in India was mostly done through family-owned small stores with limited merchandise, popularly known as kirana or mom-and-pop stores. In those times, food and grocery were shopped from clusters of open kiosks and stalls called mandis. There were also occasional fairs and festivals where people went to shop. In the twentieth century, infusion of western concepts brought about changes in the structure of retailing.

The retailing sector is divided into two- organized and unorganized retailing. The sector is highly fragmented with 97% of its business being run by the unorganized retailers like the traditional family run stores and corner stores, while organized retail sector covers only 3% out of total retail sector. Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed supermarkets and retail chains, and also the privately owned large retail businesses. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner manned general stores, paan/beedi shops, convenience stores, hand cart and pavement vendors, etc. Presently, Indian organized retail constitutes 8 per cent of the total retail market and it is growing much faster than traditional retail. It is expected to gain a higher share in the growing pie of the retail market in India. Various estimates put the share of organized retail as 20 per cent by 2020 (Deloitte, 2013). The recent wave of reforms by the Government to incentivize Foreign Direct Investment (FDI) in various sectors is bringing a new zeal to the investment climate in India. Since liberalization in early 1990s, many Indian players like Shoppers Stop, Pantaloon Retail India Ltd (PRIL), Spencer Retail ventured into the organized retail sector and have grown by many folds since then. These were the pioneers of the organized Indian retail formats. With the opening up of foreign direct investment in single-brand retail and cash-and-carry formats, a new chapter unfolded in the retail space. Many single-brand retailers like Louis Vuitton and Tommy Hilfiger took advantage of this opportunity. The cash-and-carry format has proved to be an entry route for global multichannel retailing giants like Metro, Wal-Mart and Tesco.

PRESENT STATUS OF ORGANIZED RETAIL SECTOR IN INDIA

The phenomenal growth of retail in India is reflected in the rapid increase in number of super markets. The Indian retailing sector is at an inflexion point where the growth of organized retailing and consumption by the Indian population is going to take a higher growth trajectory. The Indian population is observing a noteworthy demographics change. An increasing young

working population under age of 24 years, sharp rise in the per capita income, an increase of dual income nuclear families in the urban areas, along with increasing working women population, internet revolution and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in India. The whole model of shopping has altered in terms of format and consumer shopping behavior pattern, which ultimately could lead to a shopping revolution in India. India has highest unorganised retail outlet density in the world i.e. 11 outlets per 1000 people. However, only four per cent of them have larger than 500 square feet area. The advantages for unorganized retail sector or traditional retailing are low cost structure, low real estate and labour costs.

Organized retail is expected to garner about 16-18 percent of the total retail market (US \$ 65-75 billion) in the next 5 years. According to the tenth report of GRID of AT Kearney, India is having a very favorable retail environment and it is placed at 4th spot in the GRDI. The main reasons behind that is the 9% real GDP growth in 2010, forecasted yearly growth of 8.7% through 2016, high saving and investment rate and increased consumer spending. According to report, organized retail accounts for 7% of India's roughly \$435 billion retail, market and is expected to reach 20% by 2020. Food accounts for 70% of Indian retail, but it remains under penetrated by organized retail. Organized retail has a 31% share in clothing and apparel and continues to see growth in this sector. A report by Boston Consulting Group has revealed that the country's organized retail is estimated at US \$ 28 billion with around 7% penetration. It is projected to become a US \$ 260 billion over the next decade with around 21% penetration. The analysts believe that the sector is likely to show significant growth of over 9% over the next ten years and also see rapid development in organized retail format with proportion likely to reach more respectable 25% by 2018. Unorganized retailers in the vicinity of organized retailers experienced a decline in their volume of business and profit in the initial years after the entry of large organized retailers.

Organized retail has adverse impact on sales of unorganized retailing and profit weakens over time. There is some decline in employment in the North and West regions. The rate of closure of unorganized retail shops in gross terms is found to be 4.2 per cent per annum which is much lower than the international rate of closure of small businesses. There is competitive response from traditional retailers through improved business practices and technology upgradation. A majority of unorganized retailers is keen to stay in the business and compete, while also wanting the next generation to continue likewise. Small retailers have been extending more credit to attract and retain customers. However, only 12 per cent of unorganized retailers have access to institutional credit and 37 per cent felt the need for better access to commercial bank credit.

CONSUMER- THE PRIME MOVER:

A variety of factors seem to influence the growth in the retailing industry. Consumer Pull, however, seems to be the most important driving factor behind the sustenance of the industry. In this context, in order to understand the spending pattern of the consumers of various income groups an analysis of the monthly purchase basket of the consumers surveyed indicated that the average monthly household spend on food and grocery related items varied across income segments increases. For instance, in the case of upper income households, the average spend was around Rs.4,200 per month. As against this, the average spend in the case of a middle-income household was around Rs.2,850 and lower income households Rs.1,250 per month. This is computed from a sample of 120 customers having an average family size of four. Besides increasing purchasing

power, a variety of other factors also seem to fuel the retailing boom. With increase in double income households and working women, there is an increasing pressure on time with very little time being available for leisure. In this scenario, consumers are seeking the convenience of one stop shopping, whereby they could have better utility of time. They are also seeking speed and efficiency in processing, as a result. Being more aware, consumers are on the lookout for more information, better quality and hygiene as well as increased customer service. These changes in consumer behavior also augur well for the retailing industry. However, in India there are no uniform trends with respect to consumer buying behavior.

Organized retailing has definitely made headway in the upper class. However, even in this segment, items such as milk, fruits, vegetables and a significant portion of through-the-month purchases seem to be done at traditional outlets. The middle-income class prefers shopping for processed food and personal care in supermarkets and fall back on traditional outlets for bulk shopping. Organized retail outlets seem to be associated with branded items/special purchases. Organized retailing does not seem to have made an impact on the lower class, except for 'curiosity' shopping. The biggest question before organized retailers therefore, is whether this really means a huge untapped potential for the organized retailers and whether the conversion in mindset is going to be easy.

REVIEW OF LITERATURE

Parasuraman et al. (1980s) conducted an exploratory investigation in the attempt to define service quality and develop a model of service quality. The results showed that regardless of the type of service, consumers used basically the similar criteria in evaluating service quality. They labeled those 10 criteria as "service quality determinants". Since then, service quality was defined through 10 dimensions. Later, they were simplified into five dimensions including

Tangibles, Reliability, Responsiveness, Assurance and Empathy. Dawar & Parkar (1994): Retailer's reputation is a proxy for the retailer's credibility and can stand for signal of quality. The use of retailer's reputation is specific when it applies to an assortment of products carried within the store.

The sales impact on small shops is likely to be intensified and earnings will keep falling due to the growth of organized retail malls (Anuradha Kalhan, 2005). Mohan Guruswamy et al (2005, 2006, 2007) emphasized the dangers of the FDI in India's Retail Sector. They identified that Indian retail requires more investment when its doors are open for organized retail through Foreign Direct Investment, it will create an adverse impact on unorganized retailers, Indian employment and on Indian manufacturers. In two different studies Mathew Joseph, et al (May 2008 and September 2008) of Indian Government Think tank ICRIER provided the view that even though there is an impact of organized retail on unorganized retail, if organized retail does not grow, the unorganized sector will not be able to handle the surging demand. *Kiranas* have major disadvantages on all customer perception scores except location. There is more possibility for the customers to shift to organized retail formats this was the view of Paromita Goswami et al (2009). Traditional retailers have suffered a decline in sales after the entry of retail chains (Sukhpal and Naresh, 2010). The need of the hour is to reengineer the operations of Kirana stores otherwise the big giants will leave no space for them to grow. If the Kirana stores improve their functioning and the area of operation be specified by the government then there will be win-win situation for both the parties (Rani, 2013).

The ICRIER (2008) study found that the unorganized retailers situated near the organised retailers were experiencing a decline in their volume of business and profit in the initial years after the entry of large organised retailers. The impacts are expected to be "larger in the long run, when the Organised retailing of food and grocery reach at least 25-30% of the total sales" (Reardon and Gulati, 2008) 8. However, the consumers are gaining from low prices offered at the shops of Organised retailers (Gaiha and Thapa, 2007; ICRIER, 2008)

(Dawson, 1988) The unorganized retail sector face increased pressure from the organized retailers, super stores. Further as the economy and society has changed, so have retailers and shopping habits of consumers also altered enormously. Another study conducted by Morganosky (1997), on the structural changes in the retail markets and their implications on consumers revealed that due to the emergence of new retail formats, competition between retailers of organized and unorganized is tightening with pervasiveness and complexity of consumer cross shopping patterns across various retail channels.

OBJECTIVES OF THE STUDY

- To study impact of organized retail sector on sales of unorganized retailers.
- To know the present status of the organized retailer.
- To study the problem faced by small retailers vis-à-vis organized retailers.

Research Methodology

The present chapter describes the research methodology of the study. It presents the research design, sampling procedure tools of investigation, collection of data and the limitation of the study. The research has been done on two different elements

- Retailers
- Customer

The questionnaire has been formed for the research after doing pilot study and informal personal interviews.

Nature of research: - My research design is descriptive in nature. The study is conducted to find the awareness and perception of the customer and the impact on small scale or unorganized retailer of the organized retailer. To know the strategy employed by small retailers to remain competitive with organized retailers and the problem faced by small retailers vis-à-vis organized retailers. The design is used to produce a clear picture of the retail sector in Guwahati.

Sampling Plan (Retailers and Customers)

The sampling units for the primary study consist of retailers and customers who are from the city Selected cities of Punjab. Sampling size for the primary study is 100 retailers and 1000 customers. The method of selecting sample for retailers is simple random sampling techniques. Questionnaire is used to collect the data from the respondents.

Sampling technique: - Simple random sampling.

Universe: - All the unorganized retailers and customers.

Population: - All the active unorganized retail outlets and customers in Guwahati.

Sampling unit: -The unorganized retailers and customer of Selected cities of Guwahati.

Sample Size: Primary data has been collected from 248 respondents (125 customers from organized retail and unorganized retail outlets, 3 organized and 120 unorganized retailers. These

248 respondents were selected by convenience sampling technique of Probability random sampling.

RESULT AND DISCUSSION

1. Evolution of Indian retail

Historic/rural reach	Traditional reach	Government support	Modern format
Weekly markets, village fairs, melas	Convenience stores Mom and Pop/ Kiranas	PDS outlets , khadi stores, cooperatives	Exclusive brand outlets , hyper or super markets, departmental stores, shopping mall
Source of entertainment	Neighborhood stores	Availability / low cost	Shopping experience and efficiency

2. EVOLUTION OF ORGANIZED RETAIL IN INDIA

Initiation	conceptualisation	expansion	consolidation
Pre 1990	1990-95	2005-10	2010 onwards
Manufactures opened their own outlets	1.pure play retailers realized the potential of the market 2. Most of them in apparel segment	1..Substantial investment commitment by large India corporate 2. Entry in food and general merchandise category 3. Pan India expansion to top 100 cities 4. Repositioning by existing players	<ol style="list-style-type: none"> 1. Retail2020:Retrospect, reinvent, rewrite 2. Movement to smaller cities and rural areas 3. More than 5-6 players with revenues over USD1 trillion by 2020 4. Large scale entry of international brand 5. FDI in single brand retail upto 100 percent from 51 % 6. Approval of FDI limit in multi brand limit upto 51 % 7. Rise in private label brands by retail players 8. Sourcing and investment rules for super markets were relaxed

			9. E commerce has emerged as one of the more segments
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According to the National Accounts Statistics (NAS) of India, the organized sector comprises enterprises for which the statistics are available from the budget documents or reports etc. On the other hand the unorganized sector refers to those enterprises whose activities or collection of data is not regulated under any legal provision or do not maintain any regular accounts.

2. Major Player in Indian Organized Retailing:

1. Tata Group:

Landmark (Books and music), Croma (Multi Brand Electronics), World of titan (Watches), Tanishq (Jewellery), Titan Eye+ (eye wear), Westside (life style retail store), Star Bazaar (hyper market chain), Fashion Yatra (family fashion store)

2. Future Groups :

Central (shopping mall), Big Bazaar (Hyper Market), Pantaloons (fashion outlet), Blue Sky (Sun glasses), Brand Factory (Multi Brand readymade Garments), KB's Fair Price (Essential Products), Navaras (Jewellery), Planet Stores (Multi brand sports and life style specialty retail), aLL (fashion garments), Ethnicity (Indian ethnic wear) Home town (Home needs), E Zone (Electronics), Furniture Bazaar (Home furniture), Electronics Bazaar (under Big Bazaar Electronics Stores), Home Bazaar (satellite version of home town), collection I (Lifestyle furniture), Gen M & One Mobile (Mobile phones), M-Port (Electronics), Shoe Factory (footwear) and Depot (books and music)

3. Reliance Group:

(super market), Reliance super (mini mart), Reliance digital (Consumer durables and information technology), Reliance Trends (Apparel and accessories), Reliance wellness (health, wellness and beauty), I store (apple products), Reliance footprint (footwear), Reliance Jewels (Jewellery), Reliance Time out (Books, Music and Entertainment), Reliance auto zone (Auto Mobile Products and services), Reliance Living (home wear, furniture, modular kitchen and furnishings)

4. RPG Group:

Spencer's (multi-format retail store), Music world (music and home video store) and Books & Beyond (Book Store)

DISTINCTION BETWEEN ORGANIZED RETAILING AND UNORGANIZED RETAILING

Parameters of Difference	Organized Retailing	Unorganized Retailing
1.Scale of operation	large	small
2. Scope of operation	Nationwide	Highly unorganized (managed ordinarily)
3. Person engaged	More than 10	Less than 10
4. Number of stores	Chain of stores	Maximum 2-3 stand alone shops
5. shopping experience	Excellent or good	Poor or fair
6 Employees	Skilled, professionally trained and qualified	Unskilled , untrained and less qualified
7.Business of principle	Principle of utility	Principle of singularity
8. range of products	Wide range of products	Relatively narrow range of

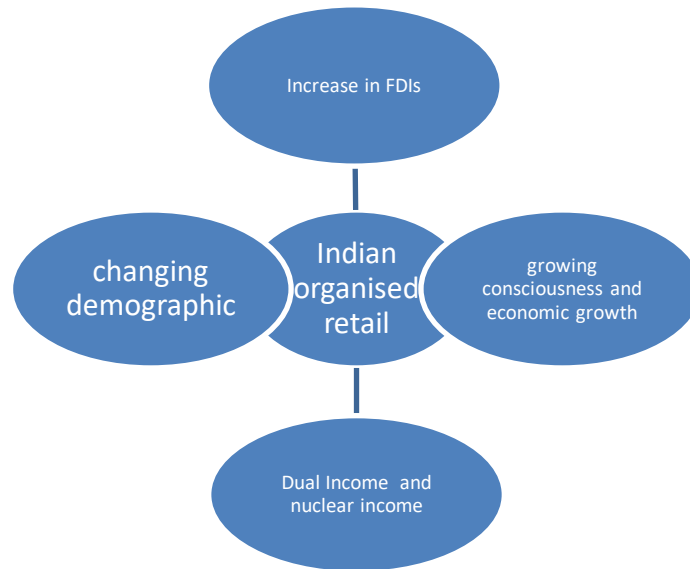
		products
9 Physical ambience	pleasurable	Lacking graciousness
10 parking facility	Adequately available and properly managed	Inadequate and unmanaged
11 bargaining	Not possible	Possible to some extent
examples	Wall mart, Mc Donald's mother diary, big bazaar, Amartax etc	Counter stores, kiosks, street markets and vendors

3. Indian retail market (Organized and Unorganized) percentage share

year	Organized (%)	Unorganized (%)
2005	3.6	96.4
2007	4.1	95.9
2010	5.0	95.0
2012	8.0	92.0
2020(Expected)	24.0	76.0

Source : Deloitte (2013), "Indian Retail Market Opening more doors", January,[13]

4. Majors factors leading to growth of organized retail sector in India



MAJOR RETAILERS IN GUWAHATI CITY

Guwahati is emerging as the fastest developing city in the entire North East region where maximum organized retailing activity has taken place. The city commonly known as “The Gateway of North East India” is said to have good commercial prospects. Being the economic hub of the North East region, the city is witnessing considerable migration of population from within the state as also from the neighbouring states. Residential units, individual houses, are being developed in the form of apartment buildings in prime locations of the city.

Malls, Departmental stores, Supermarkets and large format stand-alone stores are coming up all over the city. Brand –consciousness has caught up with the city’s youth and thus organised form of retailing is flourishing in the region. Guwahati is among the Tier-II and Tier-III cities in the country where mall based retailers are moving in on account of high rentals and low footfalls in major metros. The city has some decent shopping options with few multi-brand malls and shopping centers available. Guwahati is slowly catching up with the rest of Indian metro and non-metro cities in terms of market openness and globalization. Though the shopping malls here are not yet in par with their counterparts in other metros, still it’s a start in the right direction and there are plans of major shopping and retails chains opening their outlets in this city. A brief account of some major organised retailers operating their stores in Guwahati and other places of Assam is discussed under the following heads:

The HUB

HUB is one of the first shopping malls in Guwahati which was opened in 2003 located on the main GS Road, near Bhangagarh. The HUB is a 55,000 sq.ft mini shopping center and offers variety of shopping options. The HUB is also a favorite destination for movie goers, as one of main Cineplex in Guwahati-Fun Cinemas is located here.

Sohum Shoppe

Sohum Shoppe is one of the oldest shopping mall/center in Guwahati. The first store at Fancy Bazar was opened in May 2001 and since then they have been expanding steadily as the shopping mall culture is booming. The second store in GS Road was opened in June 2005), 3rd store at Panbazar in October 2008 and they have setup stores in Dibrugarh and Jorhat.

Dona Planet

Dona Planet located at Christian Basti is yet another shopping plaza with multiplex theatre Cinemax was inaugurated in December 21st, 2006.

Brand Factory

Brand Factory is a chain of stores operated by Pantaloons Retail India. It is a type of Discount Store which offers at least minimum discount of 20% for its merchandise and targets customers in the 20-35 years age group. The store has an average area around 60,000 sq ft and offers around 120 brands like Van Heusen, Peter England, Levis, Esprit; etc. the store was launched in 2014 and witnesses a footfall between 500-1000 customers per day.

Vishal Megamart

It is a hyper market which targets customer from all age group and provides goods at very affordable price. The first outlet in North-East region was opened in Guwahati at Amaze Shopping Plaza, A T Road, Paltanbazar in the year 2005. The Ganeshguri outlet was opened on 18th October, 2014 and Kalapahar outlet was recently opened on 30th March, 2015. It also has stores located in Tinsukia, Tezpur, Jorhat, Silchar, Dibrugarh.

Metro Baazar

This departmental store specializes in retailing of products at affordable prices. It offers products like Kidswear, ladies and men wear, Accessories etc. It operates stores in Guwahati and Agartala.

Pantaloon

Pantaloon is one of the biggest retailers in India with more than 450 stores across the country. Headquartered in Mumbai, it has more than 5 million sq. ft retail space located across the country. The store is located in the heart of the city near Downtown Hospital, GS Road (Figure 4.2.7). It was set up in 2008; the Guwahati store is the thirty eighth Pantaloon's store in India and is spread across 33,500 sq.ft. area, over three levels. The store provides great shopping options to customers in apparel (men, women, kids & infants), footwear, sports apparel, accessories, watches and sunglasses, fashion accessories, cosmetics, perfumes and fine jewellery. The entire range of Pantaloon's popular apparel brands such as, John Miller, Lombard, Indigo Nation, Urbana, Scullers, RIG, UMM, BARE Denim, BARE Leisure, JM Sport, Ajile, Jealous, Annabelle, Honey, Akkriti, Chalk, BARE 7214, etc, are available here. Pantaloon has become one of the favorite shopping destinations for the people here.

Big Bazaar

The Future Group opened its first 75,000 sq. ft Big Bazaar outlet in April 2007 at Bhangagarh. There are 42 Big Bazaar outlets in the eastern zone, four of which are in the Northeast. The Big Bazaar outlet in Guwahati ranks number one in eastern India in terms of business. The outlet at Bhangagarh posted a year-on year growth of 17-18% in 2013-14. The Guwahati outlet has an average footfall of 5,500 to 7,000 customers. Fashion at Big Bazaar, the standalone fashion store, with an average space of 15,000-25,000 sq.feet, was opened in the year Tinsukia, Silchar and Sikkim.

Reliance

Reliance is one of the biggest players in Indian retail industry. More than 300 Reliance Fresh stores and Reliance Mart are quite popular in the Indian retail market. Reliance recently came with Reliance Trends. Reliance Retail started their fashion, apparel, luggage and accessories specialty format 'Reliance Trends' in March 2012, spread over 25,000 sq.ft. area and the store offers a mix of private brands and multi-brands across men's, women's and children's categories. Reliance Trends market mantra is 'fashion at great value'.

V2 Family Fashion Store

V-2, the multi-brand Indian retail chain, came up with their first outlet North-East "V2" in the year 2014 at Paltan Bazaar (Figure 4.2.10). The store provides merchandises like mens wear, ladies wear, kids wear, footwear, household and lifestyle. The store currently runs 62 outlets in 52 locations of the country, is focusing on four destinations – Guwahati, Tinsukia, Dibrugarh and Jorhat.

BENEFITS FOR THE CONSUMER

Consumers can derive many benefits buying their shopping and convenience goods from organised retail outlets. The Unorganised retailers (Kirana stores, Local markets, etc.) suffer from various drawbacks in terms of quality standards; proper packaging and also products are purchased after the involvement of too many intermediaries, which makes the cost of goods expensive. Some of the benefits for consumer buying from organised retail outlets are listed below:

- The organised retail stores like supermarket, departmental stores, hypermarket etc tries and ensures a wider range of products compared to Kirana stores or Local markets.
- These retail outlets can bring value to consumers in both shopping and convenience goods.
- Consumers have the choice to look at different brands.
- Consumers also have a choice to look at qualities of the product and compare the prices before making his/her purchase decision.
- Consumers easily get various commodities under one roof which saves their time.
- Consumers can opt for variety of goods at low prices.

Table 5: Sales Turnover in Unorganized Retail Stores before and after Commencing Supermarkets

Sl No.	Sales	Before		After	
		frequency	percentage	frequency	percentage
1.	Less than Rs. 1,00,000	56	46.6	65	54.1
2	Rs. 1,00,001- Rs. 1,50,000	19	15.83	36	30
3	Rs. 1,50,001-Rs. 2,00,000	25	20.83	10	8.33
4	Rs. 2,00,001-Rs. 2,50,000	12	10	5	4.11
5	Above Rs. 2,50,000	8	6.67	4	3.33
	total	120	100.00	120	100.00

Source- primary data

The above table represents the approximate sales in unorganized Retail stores in a month. The table is classified by the aspect of before and after commencing the supermarket. By this data before commencing of supermarket, there are 46.6 percent of the unorganized retailers are having an approximate sales turnover of less than Rs. 1, 00,000 in a month. And also 15.83 percent of unorganized retailers are having Rs. 1, 50,001- Rs. 2, 00,000 sales turnover.

By this data after commencing of supermarket, there are 54.1 percent of unorganized retailers are having an approximate sales turnover of less than Rs. 1, 00,001 in a month. And also 30

unorganized retailers out of the 120 retailers are having Rs. 1, 50,001- Rs. 2, 00,000 sales turnover.

Table 6: Average Buyer Patronage in Unorganized Retail Stores in Week Days before and after Commencing Supermarkets

SL no	customers	Before		After	
		frequency	percentage	frequency	percentage
1	25 and less than 25 customers	17	14.1	45	37.5
2	26-50 customers	25	20.8	35	29.1
3	51-75 customers	30	25	25	20.8
4	76-100 customers	23	19.1	9	7.5
5	Above 100 customers	25	20.8	6	5
	total	120	100	120	100

Source- primary data

The above table represents the average customer patronage in unorganized Retail stores in weekdays i.e. Monday to Friday. The table is classified by the aspect of before and after commencing the supermarket. By this data before commencing of supermarket, there are 20.8 percent of the unorganized retailers are facing an average of 26-50 customers in the week days. It is concluded from the above that in Guwahati the quantum of patronage of unorganized retail stores has considerably reduced during the week days. It is evident that patronage of more number of buyers during the week days has mostly reduced to 26-50 customers per day. In short, there is a reduction of buyer patronage during the week days in unorganized retail stores.

Table 7: Approximate monthly profit in unorganized retail stores before and after commencing super market

Sl No	profit	before		after	
		frequency	percentage	frequency	percentage
1	Less than Rs. 10,000	38	31.6	62	51.66
2	Rs. 10,000-Rs. 15,000	27	22.5	18	15
3	Rs. 15,001-Rs. 20,000	15	12.5	10	8.33
4	Rs. 20,001-Rs. 25,000	14	11.6	24	20
5	Above Rs. 25,000	26	21.6	6	5
total	Total	120	100.0	120	100.00

Source- primary data

Table 8: Quantum of sales volume in the last 3 years

Sl No	class	before		after	
		frequency	percentage	frequency	percentage
1	Increased	78	67.8	24	20.9
2	Decreased	0	0	68	59.1
3	Remaining same	37	32.2	23	20.0

Source- primary data

It is clear from the above that before commencing supermarkets, for 67.8 percent of retailers the sales was increasing and for 32.2 of re the sales was stable. It is concluded that there was an increasing trend of sales before commencing supermarkets in Guwahati After the commencement of supermarkets, for 20.9 percent of unorganized retailers the sales is increasing; for 59.1 percent of retailers the sales volume was declining and for 20 percent of respondents the sales remain stable.

Table 9: Degree of Impact on the Employment in Unorganized Retail Stores

Sl no	Status of workers	frequency	percent
1	Increase in workers	0	0
2	Decrease in workers	60	87.0
3	No change in work force	9	13.0
total		69	100

Source- primary data

The above table shows, 60 stores have decrease in workers after the commencement of supermarket and no change in the workers are 9 stores. But there is no increase in the workers.

Table 10: Status of Workers Employed in the Conduct of Unorganized Retail Stores before and after Commencing Supermarkets

Sl no	status	No of workers	No of stores	Mean Workers / Percentage
1	Before commencing supermarkets	279	75	3.72
2	After commencing supermarkets	184	75	2.45
change		-95		-1.26

Source- primary data

It can be concluded that the sales volume during the last two years is declining in Guwahati for the unorganized retailers. Most of the unorganized retail stores are assisted by family members.

- Average number of workers employed before the establishment of a supermarket is 3.72
- After establishing a supermarket the average number of workers are 2.45
- After the establishment of supermarket, there is a reduction of workforce in the unorganized retail stores. The inability to employ more workers reveals the reduced financial strength of the retail stores.

Thus supermarkets paved the way for weakening the financial strength of unorganized retail stores and thereby lead to the reduction of workforce. Moreover, establishment of supermarkets might have contributed some share in aggravating the unemployment problem in the region, as we cannot expect all the employees who lost their job might be re-employed at such supermarkets.

- Commencement of supermarkets significantly reduced workforce in unorganized retail stores.
- Commencement of supermarkets significantly influenced the unorganized retailers to involve more family members in the conduct of their shops after the commencement of supermarkets.
- In majority of the unorganized retail stores, the number of workforce has been reduced.
- The major reasons for the reduction of workforce were due to the decline in sales, profit and ability to offer benefits like PF, ESI, etc.
- In the opinion of the unorganized retailers upper class buyers never patronize the unorganized retail stores. It is also found that there exists a shift of customer base from middle class segment to lower class segment of customers in unorganized retail stores. In short in Guwahati, in majority of the unorganized retail stores there is shift of segment of customers from middle class to lower class after the commencement of supermarkets.
- That patronage of more number of buyers during the week days has mostly reduced to 26-50 customers per day.
- Due to the commencement of supermarkets near to unorganized retail ,there is a reduction of buyer patronage leading to reduction of sales volume and ultimately reduction of profit.
- Reduction of sales volume has occurred in unorganized retail stores primarily due to the commencement of supermarkets in their vicinity.

Suggestions:

- 1. For sustaining Unorganized Retail and to compete with organized retail sector the recommended suggestions are given as below:**

- Unorganized retailers should purchase variety of products from the single wholesaler to avail adequate discounts so that they meet the cost expectations and needs of their customers.
- The unorganized retailers should continuously improve their display to compete with the organized sector.
- The unorganized retailers should provide adequate self service facilities to the customers.
- The unorganized retailers should offer cash discounts to customers on bulk purchases.
- The unorganized retailers should offer attractive weekly or monthly schemes for groceries and other items and promote them through leaflets or pamphlets.
- If they target only “**category killer**” customers, it could help them to retain customers.
- Unorganized retailers should make remarkable changes in their store ambience to retain the existing customers and attract new customers with sophisticated facility and more space.
- The unorganized retailers should make a strategy to retain their customers by providing quality goods and services because it is well said that “**Quality is remembered long after the price is forgotten.**” – Gucci Family Slogan
- They should also go for collaborations within the regional level so that they can survive in this globally competitive world.

2. For further improving Organized Retail sector in India the following are the suggestions :

- The organized retailers should provide attractive offers to compete with the unorganized sector.
- The organized retailers should offer lucrative schemes, discounts to generate costumers” stimulus.
- The organized retailers should provide necessary arrangements for home delivery of goods.
- Organized retailers have been adding value to their products through prices, services and offers to attract and retain customers.
- Organized retailers should organize efficient and effective loyalty programs. This could help in providing recognition to the customers.
- Organized retailers should make necessary arrangements for consumer complaint management because customer complaints are the schoolbooks from which they could learn.

CONCLUSIONS

Supermarkets in Guwahati have created several impacts on unorganized retail stores. Major impacts are reduction in sales volume, reduction in profit and involving family members in the business in order to avoid the recurring cost through the salary of workers. The number of workforce has been considerably reduced in unorganized retail stores. However the reason for the reduction of work force not primarily due to the Super markets.

Another major negative impact created by the Supermarkets on unorganized retail stores is the considerable reduction of loyal customer base. Due to the commencement of Supermarkets near to the unorganized retail stores there is a reduction of sales, profit, customer base and loyal customers. Day by day the unorganized retail stores are losing the class of customers visiting their shop. These will lead to the slow death of the unorganized retail stores. No positive impact has been created by the Supermarkets on the unorganized retail stores. Only positive change is that they are to attract their customers through neat arrangement. On the part of unorganized retailers they have made no change in their stores. Some of the changes they have introduced are not due to the commencement of Supermarkets. No unorganized retail store is offering door delivery facility which is offered by the Supermarkets. In addition, the duration of working hours and operation during the holidays are not followed. All the unorganized retailers are uncertain about their future trade.

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