

CHAPTER- 2

REVIEW OF LITERATURE

It is an essential part of any research work to review an existing literature related to objectives of the study. It provides an insight of the problem and gives the knowledge about the various parameters. There is a need of available literature because it provides a detail of previous studies to fill up the gaps, if any. There are few studies which are related to FDI in Multi-brand Retailing. Available literature supports to draw some important conclusions about gap of the studies which will be torch bearer in successfully carrying out the research work. Review of literature has been displayed in various parts in this chapter which capture studies related to Retailing, FDI in Retail, Consumers perceptions towards FDI in retail and critical factors related to FDI in Multi-Brand retail in India.

2.1 Reviews of literature

Sharma Arun et al (2000) examined that the Retailers store ambience and design, positively improve the performance of their salespeople. A random sample of 250 Retail salespersons of major departments store (250) chain nationwide with adequate training skills in sales was selected and data is collected through structured questionnaire. MANOVA and one way ANOVA is applied to know the dissimilarity among the persons personal essentials of the information pyramid of high or low of knowledge structures of more or less valuable sales persons. Through empirical means they have established the fact number one that is through store atmospheric clues (namely discount, prestige and ambience) a salespersons credibility is affected, number two increase in persuasion would be derived from ambience cues, number three consumers get inconsistent ambience & cues available for salesperson. The research successfully draws the conclusion about the store atmosphere on the consumers responsibility for providing the atmospheric cues.

Sinha P.K. et al (2004) in this study the researchers investigate to deliberate over store choice behaviour of shoppers in the background of ever transforming retail atmosphere. The researchers persuade to recognize main factors preference for outlets their other purchase behaviour, depicted distinctive Indian customer. The research also put on the importance of product mix along with the other facilities.

Ganesh J. Reynolds et al (2007) examined the patronage performance of retail and consumer typologies using multi-format, multi-method approach. Data is collected through Intercept survey technique. Total 968 usable responses were collected from the shoppers. 20-item “(Bellenger et al. 1977) scale” were used to review the dimensionality, important structure and properties of measurement. Outcomes came foresight “using shopping motivation dimensions, five common shopper types are found across the all four formats”; (2) “using mall/store attribute importance measures, five common shopper types are found across the all four formats”; and (3) the “five common shopper types obtained using the two different sets of measures are similar”, and the shopper subgroups are stable and valid on both the “motivation-based and attribute based cluster analysis revealed five common shopper types across all retail formats”.

Gupta C.P. Agarwal R. et al (2008) tried to investigate the perception of consumers about different varieties of services and products accessible at organized retailing and secondly the affect. Their research revealed the customers are exceedingly appreciating the accessibility of the assortment of goods and services in the structured outlets have untouched the customers’ purchase habits.

Rigopoulou Irini D. et al (2008) assessed the “shopping orientation” of consumers based on segmentation approach based on satisfaction and Store choice criterion. Statistical tools such as Factor analysis, MANOVA (SPSS), Cluster analysis were used to gauge the 2 purchase orientation with means of a 3 step process. The study reveals that both Services

cape/Personnel and Product/Price associated criterion are important in selecting a store. In order to segment effectively based on the parameter of satisfaction are formed to conceptualize the research idea. Based on that, the consumers would be categorized in two separate entities as “easy-going” and the “fastidious” consumers. “Fastidious” are the consumers which resulted in low level of satisfaction and pertinent criteria in selecting a store. Whereas an “easy-going” consumer feels the opposite way in this case that signifies choice of selecting a store values strongly in terms of satisfaction level along with the factors related to satisfaction.

Sinha R.K. (2009) explored the preferences of consumer’s two formats of retail structure i.e organized and unorganized retail formats. In the study Demographics and personal factors are used to examine the preferences for the functional benefits provided by the 2 divisions of retail. A sample size of 100 was collected from East Delhi residents who were coming out of retail outlets along with exploratory interviews of shoppers were also carried out. Parametric and Non parametric tests were applied using SPSS. With the analysis of data it is found that differences in the perception of respondents varies in traditional and modern retail divisions and behaviour in actual patronage behaviour is not related. The patronage behaviour statement is not associated with the Demographic and personal factors.

Yadav R. (2009) has taken key determinants to gauge the consumers perception and attitudes. It tries to identify the key variables affecting perception and attitude are social and demographic variables big mall visitors. In the research it describes that “customer’s attitude towards shopping malls is strongly influenced by the presence or absence of certain elements, like amenities, locality, infrastructure, ambience, merchandising and pricing, personal and entertainment value”. The present study approved that if above factors are present in optimum level .

Kamath G.B. (2009) analysed that Shopping experience is the important significant factor with the purpose of determining the retail channel preference for the purpose of buying self. Consumer wants hassle as complimentary shopping, hassle free parking, clean & friendly atmosphere once entering the store, buying anything he would like to buy, good quality of products and services. The next important factor, gaming and entertainment activities in the outlet. Consumers desire their children have to be mix themselves up in recreation or sports facilities. The 3rd most important factor would be the low prices along with discounts. The consumers want value in return for their money spends. The 4th fourth factor would be for hassle free billing in addition to free of charge home deliverance. Most of the customers would like to have the pleasurable and relaxing outing from their purchase outlets. The 5th issue assumed to be the availability of assortment of products in goods in particular outlet which can cater to the variety of needs at the same time and moment. Customers need plenty of assortments of different brands and merchandises to pick and choose from the list..

Das G. et al (2009) analysed the impact promotion on various aspects of consumer" s buying behaviour. A data of 100 respondents based on Socio Economic Criteria (SEC) classification were collected through structured questionnaire from Big Bazaar retail outlets. The study revealed that after product satisfaction, sales promotion is the main reason for purchase of convenience goods. Sales promotion increases the basket size of the customer. They purchase somewhat more of their regular purchase due to promotion.

Molina A. et al (2009) investigated relational benefits perceived by customers, as well as the benefits derived by the firm in relation to consumer associatedness. A survey basically personal in nature is carried out with quantitative analysis based on the 4 types of activities involved in retailing. Analysis of Data is carried through factor analysis and estimates are done with the help of Structural Equation Modelling. Findings reveal that Confidence

benefits and special treatment benefits have major influence on customer loyalty towards the retailer.

Mittal K.C. et al (2010) examined the influence of diversity, place, and demographic factors on retail purchase behaviour. A sample data of 252 respondents (Stratified Sampling) from different geographic locations of Punjab was collected through 21 statements formulated in the questionnaire on 5- point likert scale. Factor Analysis is carried out on the data. The Finding reveals that two important factors considered are price and proximity then the rest which were considered more important.

Sainy R. (2010) checked out that retail service quality is an important factor, which determines the behaviour of customers in retail outlets. The research tries to find out the effect of service quality on customer loyalty in retail outlets and to check if there is any impact of demographic variables on customer loyalty. Four demographic variables had been considered for the purpose of the study i.e. age at two levels, gender, income as high and low and occupation as business and service. Retail store format considered for the study was departmental stores was considered for the study. A sample of 100 respondents was selected from Indore city in Madhya Pradesh to study the effect of Service quality on Customer loyalty. The findings of study show that there is a positive effect of service quality on customer loyalty and three out of the four demographic variables showed a positive impact on customer. The dimensions of service quality namely tangibles, reliability, assurance, empathy and responsiveness play an important role in determining customer perception in the direction of a retail store. Another inference drawn for from the study is that there is significant difference among the dimensions service quality & its effect on customer loyalty which includes tangibles (value, merchandise, convenient operating timings) to have the highest effect to customer loyalty. Also, demographic variables for instance gender, age, income have a positive effect on customer loyalty.

Chen, Ching-Liang (2010) developed the conceptual model frame, to examine the constructs of store customers" loyalty and service value for analysing the effect of purchase intent. The research investigates Host Country retailer outlets & global seller. This also supports IR and HCR stores for giving higher consumer service benefits/ value and the improved consumer fulfilment would be reflected in their purchase preferences.

Bhardwaj S. et al (2011) had analysed the perception of consumers in the direction of the shopping malls, his explore reveals the shopping malls as supposed preference of consumers because of the availability of good eating points and recreational outlets in malls, trends and brands are the attributes which are most sought after. Customers prefer to have huge assortments of goods and services that are offered in the malls catering to the wide range of collection of clothes, eating joints, consumer durable goods and recreation activities wide availability. "Word of Mouth and customer service".

Jain S. (2011) examined the grocery and food retail formats (supermarket, suitable and discounted store) explore key factors such as trustworthiness and buyer contentment in the supermarkets of Jaipur. The researcher revealed the demographic factors such as age, family size, education, occupation & income level has significant influence for preference types of grocery & food retail stores. The major factors are the Variety, availability of different products under one roof, Quality, ambience along with the exhibition of good Offers & Discounts offered in most of the outlets are the main reasons for the consumers in Jaipur to go to Shopping in Malls.

Tripathi A.P. (2011) studied rising trends in the contemporary Indian retail formats and revealed consumer shopping behavior. The deliberate behaviour of consumers. findings of the study revealed that there is a difference in the purchase behaviour among the class groups based on purchasing power. Secondly the feeling of exclusivity and expensiveness attach with the general perception that these mall culture is only meant for the wealthy or middle class individuals or families and not for the poor or low class individuals" . Thirdly

the research presents the perception view that these places are overcrowded and are having large area space sighting the reasons for the restricting themselves from crowd. The findings reveal that Indian consumers still have that conservativeness among themselves in buying their day to day items to the nearest sabji market or local mobile vegetables sellers.

Haiyan Hu (2011) tried to examine the perception of Chinese outlet reflection amongst Chinese customers. They reveal a practical point of reference in their buying behaviour. The study discovered that Chinese consumers' buying habits highly correlate with the products as well as outlet friendliness. The normal expense throughout their every purchase outing are influenced by the exposure of advertisements, products, service, store consumers' income and outlet friendliness.

Abdul Gafoor et al (2012) studied for and against views on FDI in retail in India. With the established facts that India's retail coverage is largest and provides employment to most of the individuals who are largely working in unorganised space. It presents the findings based on different studies that there will be spurt in jobs, more competitiveness, giving consumers and farmers better deal, both in prices and choices, maximum variety, convenience, advancement in IT, enhancement of cold storage technologies, boosting SME sector etc. Thus, suggesting that interests of the all the sections of the society at large needs to be taken care of by allowing foreign retailers/MNCs to come and operate their business in India.

Axele Giroud et al (2015) checked the "nature of the activities conducted by multinational enterprises globally and the governance modes are changing. Essentially, multinational enterprises (MNEs) structure and organize their activities in a more complex, fragmented and geographically dispersed manner". The authors concluded with a historical overview of evolving firms' international strategies and FDI motivations.

Rashmi, & Dangi, H. (2016) explored the empirically the concept of retailer brand equity referred as (RBE), customer-based frameworks & its predecessor relations. They reviewed

160 Brand Equity papers, bulk of them payed attention on retail brands published during the years 2003–2014. Findings suggest that “retailer equity” is judged by shopping intent. “Consumers are more likely to shop & recommend to others the retail stores that enjoy high equity”. Increase retail equity contribute towards the reflection of consumer satisfaction while going for purchase in the stores.

The literature review considered for the purpose is mention in the below mentioned table:-

List of few among the studies considered for literature review			
Author	Year	Name of the paper & Research Journal/Publisher	Findings/RM
Stafford Thomas and Sharma Arun	2000	The Effect of Retail Atmospherics on Customers' Perceptions of Salespeople and Customer Persuasion:: An Empirical Investigation Elsevier	Examined that the Retailers store ambience and design, positively improve the performance of their salespeople. A random sample of 250 Retail salespersons of major departments store (250) chain nationwide with adequate training skills in sales was selected and data is collected through structured questionnaire. The study effectively proves the positive impact of atmospherics on the customer's perceptions of salespeople, as well as the salesperson's role as an atmospheric cue
Jhamb and Bharadwaj	2006	The Case for FDI in the Retail Sector in India SAGE	This study believes that the sector is mature enough to be opened to FDI in Retail, albeit in a phased manner.
Singh Sukhpal	2012	Role of FDI in Multi-brand Retail Trade in India and its Implications SAGE	Examines various mechanisms used to leverage the presence of FDI in supermarkets and explores the role of policy and regulation to promote the small farmer and the traditional retail interests in such chains. It examines the role and implications of FDI supermarkets for food inflation, farmer income enhancement and employment generation.
Kumar and Kapoor	2014	Study of consumers' behavior for non-vegetarian products in emerging market of India“ Emerald Insights	A total of 182 households of two middle-sized cities of India were personally surveyed with a structured questionnaire. Simple statistical analysis such as frequency distribution, factor analysis and analysis of variance, logit regression were carried out to infer the required information.
Basu Rituparna	2015	Are They Really Different? A Study on Apparel Shoppers' Retail Format Perception in USA and India SAGE	Analysed consumers' perspectives on organized retail forms in two contrasting markets with the pioneering use of single and multi-brand format classification. article suggest that the synergies in shoppers' perceptions about the organized apparel retail formats in emerging Indian and developed US markets are critical for retailers to understand

Rhoads, Swinyard, Geurts and Price	2002	Retailing as a Career: A comparative study of marketers Elsevier	A study of how positions in retailing—particularly store-based positions—compare with other marketing related positions. Findings suggest that workplace experiences in store management are less satisfying
Arnold, Flaherty, Voss and Mowen	2007	Role Stressors and Retail Performance: The Role of Perceived Competitive Climate Elsevier	Cognitive appraisal theory is used to investigate the influence of perceived competitive climate in the retail store upon the relationship between three role stressors (i.e., role ambiguity, role conflict, and family–work conflict) and job efficacy, job satisfaction, and the self-and supervisor-rated performance of retail professionals
Brown and Lam	2008	A Meta-Analysis of Relationships Linking Employee Satisfaction to Customer Responses Elsevier	A meta-analysis of relationships linking employee job satisfaction to customer satisfaction and perceived service quality in studies that correlate employee data with customer data. Overall, both relationships are found positive and statistically and substantively significant
Ganesh J.Revnolds	2000	Understanding the Customer Base of Service Providers: An Examination of the Differences Between Switchers and Stayers. Elsevier	Examined the patronage performance of retail and consumer typologies using multi-format, multi-method approach. Data is collected through Intercept survey technique. Total 968 usable responses were collected from the shoppers.20-item (Bellenger et al. 1977) scale measuring attribute importance Research on India and its workforce is presented by were used Factor Analysis was carried out to assess the dimensionality, factor structure and initial measurement properties
Susan M. Keaveney	1992	An empirical investigation of dysfunctional organizational turnover among chain and non-chain retail store buyers Journal of Retailing	This is a study of dysfunctional organizational turnover conducted among 300 retail buyers. Job attitudes and characteristics of the retail buying job were found to influence dysfunctional organizational turnover among buyers for both chain and non-chain retail stores.
Dubinsky and Levy	1989	Influence of Organizational Fairness on Work Outcomes of Retail Salespeople Journal of Retailing	This study examines the impact organizational fairness a measure of perceived equity-has on overall job satisfaction, organizational commitment, motivation and performance of retail salespeople. The findings indicate that organizational fairness affects job-related responses of retail salespersons

Few reports that were studied		
Title of the Report	Year	Publishing Organization
Indian Retail	2014	Neilsons
IBEF: India Brand Equity Foundation Report	2014-2016	Department of Commerce, Ministry of Commerce and Industry, Government of India
Global Retail Development Index	2010-2016	A T Kearney
Strategic Issues for Retail CEOs: Perspectives on Operating in India's Retail Sector	2010	PricewaterhouseCoopers (PWC)
Ready for the transition- 2012 India attractiveness survey	2012	Ernst and Young
Human Resource and the Skill requirements in the rganized Retail Sector (2022)	2011	National Skill Development Corporation
Rural Retail: To Touch \$25 bn by 2020	2010	Business Today
Indian Retail- Time to change lanes	2016	KPMG
Impact of Organized Retailing on the Unorganized Sector	2008	Indian Council for Research on International Economic Relations
Top trends in Indian retail sector	2007	Technopak Advisors
Indian retail on the fast track- Time for bridging capability gaps	2005	KPMG and FICCI

2.2 Research Gap Analysis

The findings of this thesis on the topic “A Study of Perception on FDI in Multi-Brand Retail in India” will be very useful for analyzing current situation of retail sector in India. The Indian Government is liberalizing foreign investment policy gradually from 1991. Government is welcoming foreign investment in different sectors. Basically, policy adopted in retail sector after liberalization has become a good topic of academic debate. In order to fill in the research gap, this thesis covers the discussion on recent deregulation of FDI policy in retail and its impact on local business of organized and unorganized retailers. It also tries to enlighten future retail environment of India on the basis of current market changes and development. Hence, this thesis tries to fill up the gap by making holistic analysis of Indian retail market.