David v/s Goliath: FDI/Organized Retail v/s SME Segment in India

Dibyendu Choudhury*
Soumendra Kumar Patra**

ABSTRACT

Consumers around the world continues broad efforts to save money while shopping for the consumer packaged goods and with low prices and getting good value for money had been the highest priority, India is no exception too. The Indian SME segment played a very significant role in the overall Industrial development of India. With its agility and dynamism the sector has shown admirable innovativeness and adaptability to survive the recent recession and downturn. Small and medium enterprises (SMEs) have been considered one of the 'driving forces' of modern economies due to their multifaceted contributions in terms of technological innovations, employment generation, export promotion, etc. Of these, the ability of SMEs to innovate assumes significance because innovation lends competitive edge to firms, industries and ultimately, economies. Unorganized retail sector employs the second highest population in India just after the Agriculture segment and they have already proved their sustainability and resilience over the domestic organized retail sector e.g. BigBazaar, Pantaloon etc. Now this segment is poised to face the International retail giants heads on e.g. WalMart, Tesco, Costco etc. India is emerging as the consumption giant next to China irrespective of the global market downturn and European Market meltdown. This exploratory research reviews the Indian Middle-Class segment known as the power-house of this huge consumption in Indian retail segment which in-turn would shape up the SME segment based upon the literature reviews and the consumer segmentation analysis with respect to the Vals2 scale and the relevance of organized retail vis-à-vis SME segment growth with the employment generation and the emergence of the Indian middle class segment.

KEYWORDS: Retail Sector, Middle class, Vals2, Emergence of MSME, Employability

INTRODUCTION

Indian Retail Industry

Crisil report of 2011 reported that, the Indian retail industry has grown at a Compounded Annual Growth Rate (CAGR) of 13.3% for the period FY06-10. The growth in the Indian economy since the last decade and the change in consumption pattern of the Indian populace in terms of higher proportion of middle class population, greater proportion of working women etc can unarguably be linked to the growth of the Indian retailing industry. Of all the segments in retail, the contribution of 'food &

grocery' remained the highest at 58% of the total retail sales during FY10, with the 'clothing & footwear' segment remaining the second largest contributor occupying 10% of the total retail pie during the same period. However in terms of growth figures, the 'entertainment, books & sports goods equipment' segment outperformed the other retail segments registering a CAGR of 22.5% during the period FY06-10.

In spite of the growth, the industry remains largely fragmented with the organized retailing still at a nascent stage. In case of overall retailing revenues, the food & grocery segment accounted for the highest share at 58% of the

total retailing pie aggregating Rs.11.49 lakh crore during FY10. In the organised retailing, the food & grocery segment stood as the second largest contributor with revenues aggregating Rs.24,273 crore during the same period. However, the organised retail penetration of other segments such as clothing & footwear, entertainment & books and furniture & furnishing surpassed that of the food & grocery segment.

This is the time when India is getting heated with the Pros & Cons of FDI investment in Retail sector and Govt. of India stalled the proposal for hundred percent FDI investment in Multi-Brand large format retail.

The unprecedented and unforeseen global financial meltdown has left its impact all round the globe, it started from 2008 with US and recently impacted Italy, Greece for which leaders of European Union are meeting and signing some exclusive treaty to preserve the value of the currency as well as the economy. The majority of the home consumption is declining and in the last couple of months UK itself atleast 4000 retail stores have closed down which could be equivalent to our Kirana stores because of the declining consumptions in euro zone with the falling currency value. Same story is there in US and many kirana stores closed own even in Manhattan, New York City. All the big retailers also hard hit and they are not the exception infront of the online sales as well as the slowing economy. In the contrary, China and India is emerging as the engine of domestic consumption for which every big retailers are eyeing these markets. Recently all the big players like WalMart, Carrefour, Tesco are waiting for the green signal for their hundred percent FDI investment approval into multi-brand large-format retailing in India. The oppositions are concerned about the fate of Kirana stores or small retailers and allied businesses and anticipate their downfall if these large format players are allowed to enter in India.

Objective of the Study

As this is a very nascent subject in Indian perspective, hence not much literature available on this subject. Observing the current scenario, two research objectives were developed.

1. To find out the suitable of Indian consumers through ValsII scale which would fuel the enormous consumption in organised retail in India and their consumption pattern.
2. The co-relation with the organized retail to MSME growth and the increased employability.

Indian Economic Scenario and Emerging Middle Class

India's economic growth has accelerated significantly over the past two decades and the spending power of its citizens. Real average household disposable income has roughly doubled since 1985. With the rising incomes, household consumptions has soared and a new Indian middle class has emerged (Shukla et. al. 2004). In India till 2007, 98% of the retail sector was comprised with counter stores and street vendors. Having a potential of 320 Billion US Dollar Industry growing at CAGR 5% which is contributing 39% of GDP.

India's real GDP growth rate over the coming two decades generally range between 6 to 9 percent per year. Average real household disposable income would grow from 113,744 Indian rupees in 2005 to 318,896 Indian Rupees by 2025, a compound annual growth rate of 5.3 percent. This growth is significantly more rapid than 3.6 percent annual growth of the past 20 years and with the exception of China. (Ablett et. al. 2007) (Fig 1)

The range of spending power
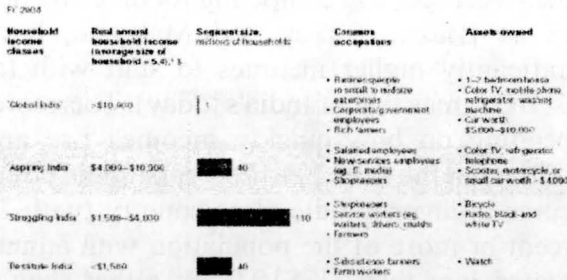
Population density in some of India's cities top 28,834 persons per km (2005 Mumbai) . Overall, as noted earlier, the numbers of urban dwellers is on the rise, comprising approximately 28% of India's population and growing at about 3% annually (Landes 30). Although India is still home to a large share of the world's poor, this percentage is declining, and a significant, relatively affluent; middle class has emerged in urban areas. Middle-class households with buying power well above average include roughly 200 million consumers and constitute the fastest growing segment of the population.

India's households can be classified into five economic groups (As per MGI report:2007)

McKinsey divided Indian households into five socio economic classes (SEC) on the basis of real annual disposable income. NCAER did the classification little differently.

Deprived (Less than 90,000 Indian Rupees; less than $1969)

This is the poorest group of the country and many of them are living below the poverty line of India. The official definition of Pverty of India is defined as 2400 Calories per capita per day in rural areas and 2100 Calories in Urban areas. Majority of this population is dependent on agriculture or seasonal or part-time job and struggle to find employment throughout the year.

Aspirers (90,000-200,000 Indian rupees; $1969-$4376)

People in this bracket are usually small time shop-kippers, small-hold farmers or low skilled industrial and service workers. They cannot be described as deprived but nevertheless they struggle to live comfortably and typically spends almost half of their income on the basic necessities.

## Strivers (500,00-1000,000 Indian Rupees ; $10,941-$21,882)

People in this income group are generally regarded as very successful in the Indian society working as business people (traders) in cities, established professionals, senior Govt officials and rich farmers in villages.

Global Indians (1,000,000+ Indian rupees; $21,882+)

This group is the cream of the Indian society comprises with senior corporate executives, large business owners, politicians, big agricultural-land owners and top-tier professionals. Mid-level executives or graduates from the India's top colleges who are able to command premium salaries from international companies are the emerging Global Indians and this bracket of the society is truly global in its tastes and preferences and enjoys a very high standard of living.

Middle class as a combination of seekers and strivers whom we can think of as lower and upper middle class respectively which we would try to segmentize through VALS II scale. Taken together, the middle class refers to the household earnings between 200,000 Indian rupees and 1000,000 Indian rupees a year. The data shows

the distribution of income brackets which will change dramatically over the next two decades and the income pyramid of Indian society will look remarkably different. By 2015, a bulge of aspirers and seekers will work its way up to the income ladder; by 2025 India will transform itself into a nation of strivers and seekers with 128 million households (583 million people), or 41 percent of the populations in the middle class. This growth does not benefit everyone evenly, and it is vital that opportunities are created for those who have been left behind by growth, particularly those mired in extreme poverty.

India: Age Distribution
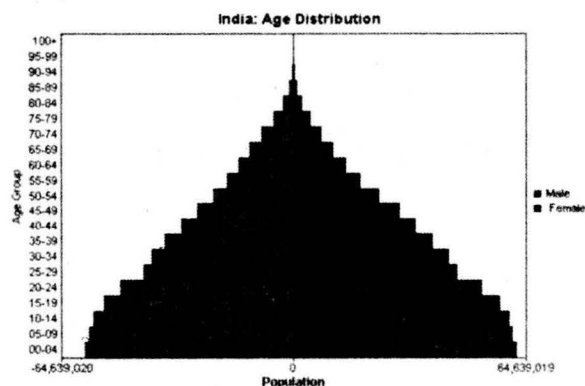
Source: United Nations Statistics Division Common Database. "Country Profile-India" http://unstats.un.org/unsd/cdb/cdb_country_prof_results.asp?crID=356&cpID=21 Accessed on 1st June 2007

Though there is a distinct danger that India will grow old before it grows rich if it continues on its current path and don't allow FDI investment in multi-branded large format retailing suggested by A.T. Kearney report 2012. Of all the countries that have entered this sweet spot, India currently has the lowest per capita income at around $815 per year, which is about one-third of China's. Even if India grows at a robust 8 to 9 percent per year for another 10 to 12 years, the average income levels will only reach what China's are today (around $2,200 per year). If India maintains the same growth momentum until 2035, average income levels will be comparable to Turkey and Malaysia today ($4,700-$4,800). In contrast, "young" countries in the sweet spot and competing for investments, such as Brazil, Turkey and Malaysia, have significantly higher incomes to start with (at least five times that of India's today). Therefore, depending on how quickly incomes rise and distribute in the next 20 to 25 years, India could become a larger middle-class country (with 70 percent or more of the population with annual incomes less than US$10,000), rather than a "rich" country. There will, however, be a meaningful number of both rich and upper-middle-class households (60 to 70 million households with annual incomes of $10,000 or more), which means marketers will have to make sharper choices in terms of identifying target groups, decision makers, products and services, value propositions and operating models, among others. (Walker. M, Mukherjee. D, Gupta.G 2011). Unless the FDI investment comes in India in the retail segment Indian consumption need cannot be met, hence Govt of India should revise the norms and rules to WalMart to enter in Indian scenario.

Review of Literature

In order to understand the Indian consumers and its emerging Middle Class segment and their preferences, various demographic and lifestyle studies have been carried out across the world and had been the point of interests for the researchers for long . For example, significant studies have been carried out try and understand the correlation between social class income and buying behavior (Slocum and Mathews 1970) and social class and lifestyle as a predictor of shopping behavior (Rich and Jain 1968). Studies have also been carried out to understand the importance of Life Status and Consumer Preference (Andreason 1984) and the importance of consumer behavior and cultural values (Henry 1976). In addition, there are studies relating to the influences of reference groups on consumer brand purchase

(Stafford1966) and on the influence of the reference group on product and brand purchase (Beardon and Etzel 1982). Studies have also been conducted to understand the impact of role of sex on purchase decisions (Qualls 1987); on working wives and expenditure on service (Bellanti and Foster 1984) and the use of advertising for making purchase decisions (Eighmey 1997). Similarly, studies have been conducted to understand consumer profiles for various products. Notable amongst them are studies on credit card usage and lifestyle (Plummer, 1971; Slocum and Mathews, 1969), VCR ownership and lifestyle (Potter et al. 1988), drinking and driving amongst young males (Lastovick et al. 1987), heterogeneity between the senior citizens market (Day et al. 1987) etc. Research has also been carried out to understand the profile the women in the USA, UK and France (Doughlas and Urban 1997). Lifestyle research has also been extended to the new medium of the Internet (Eighmey 1997).

In the Indian context, the studies have been comparatively fewer in number. Deepa Kapoor studied the interrelationship between religiosity, caste prejudices, and conservatism and life styles among the four major faith groups: Hinduism, Islam, Sikh and Christianity. The research was carried out under the assumption that the individual's stable and persistent beliefs and ideologies – social, economic, political and region – determined the lifestyle of the individual. It concluded that religiosity had a lasting impact on all the other aspects and was a major influence on maintaining the caste prejudices and conservative outlook; which in turn influenced the lifestyle pattern of an Indian consumer. The study was carried out in the city of New Delhi (Kapoor 1985).

One of the most comprehensive studies conducted in India was the study of National Council of Applied Economic Research (NCAER) conducted in 1993–94. The study had a sample size of 2.81 lakh (1 lakh = 1 × 105) households (65% urban and 35% rural) and covered 410 districts across the length and breath of the country. It mapped the ownership and purchasing patterns of 281,768 consumer durables and 18,730 consumer non-durables. The study classified the consumption behavior by using real disposable income corrected for regional imbalances. Factor and Cluster analysis was used to segregate the Indian population into five major groups based on the real disposable income and the ownership of durables and consumption of non-durables: Very Rich (6 million), Consuming Classes (150 million), Climbers (275 million), Aspirants (275 million) and Destitute (210 million). According to the study, Indian population would blossom into an inverted pyramid with the Very Rich and the Consuming Classes driving the Indian market (Rao and Natarajan 1996). The population projections by the study match the Government of India's population estimates by age classes.

Indicus Anlytics (Table 1), one of the leading economic research firm of India had recently published the Urban Consumer Spectrum of India 2011-12 for the entire India, each state and top 135 districts on the basis of two dimensions i,e. life stages of the chief wage earners of the households and their education and skill levels (SEC). The first defined their earning and second defined their earning abilities. The Fig 3 shows the segmentation below.

Fig3: 31 Consumer Segments by SEC & Life Stages of CWE by Indicus Research 2011-12.

Life Stage		Younger		Middle				Mature		
SEC	Household Head/Chief Wage Earner	Single (Family)	Married without child (joint family)	Single Alone	Married without child (Nuclear family)	Married and staying with young children (Joint family)	Married and staying with young children (Nuclear family)	Married and staying with grown up children	Married and staying with married child	Older Single/Couples living alone
SEC D & E	Unskilled Worker Primary Educated Skilled worker		DY1			DM1		DS1		DS2
SEC C	School Educated Skilled worker	CY1		CY2		CM1		CS1		CSE
SEC B	School Educated Businessman	BY3		BY4		BM2		BS3	BS4	
SEC B	Graduate/PG Skilled worker	BY1		BY2		BM1		BS1		BSE
SEC A	Graduate/PG Professional	AY3		AY4		AM3		AS3		
SEC A	Graduate/PG Executives/Managers		AY2			AM2		AS2	AS4	AS5
SEC A	Graduate/PG Businessman		AY1			AM1		AS1		

Seema Kapur (1995) tried to understand the linkages between the ownership of two-wheelers and the behavior of their owners. Aditi Chatterjee (1995) conducted a study to understand the brand association of Denim brands with lifestyle attributes. The study was qualitative in nature and used only focus groups to arrive at its findings. Another study, by the same author, was conducted to provide an understanding of changes in personality traits, family relationships, personal goals, attitude toward advertising and favored products among Indian consumers aged between 15–45 years. The study (again based solely on focus groups) concluded that Indian consumers were different and could not be classified into any known norms (Chatterjee 1996).

Shirali and Singh (1997) carried out a study on status symbols for Indian males and tried to identify similar lifestyle segments based on the classification of the status symbol. The study surveyed 623 respondents in the top four metropolitan centers in the country – all with at least one car at their disposal. The study found that there was concordance amongst the males in the top four metros as regards what they considered as status symbols and classified Indian Males into four different segments –

Yuppies, Already Arrived, Getting There and Won't Be. Some other studies have also been carried out in the Indian context. Sharma and Chaubey (2004) carried out a study with the aim of assessing the consumers' awareness and their attitude towards different mobile service providers in the city of Lucknow. Another study attempted to segment the consumers in Kolkata market using their brand preferences for toothpaste brands. The study concluded that the consumers in the Kolkata market could be segmented into five groups based on their toothpaste brand choices (Kumar and Mitra 2004). Similarly, studies have also been taken up to understand the effect of psychographics on the purchase frequency amongst college goers in Kolkata (Roy and Goswami 2007). Studies have also been carried out to study various aspects of disease and substance abuse Downloaded (Medhi et al. 2006) and for identifying means of better governance in rural and urban areas (Bhagat 2005). Biases present in the Indian society have also been studied (Sudha and Rajan 1999).

However, Kumar et. al.(2008) argued that the classification of the Indian urban population on the basis of their on the highest level of education and occupation of the chief wage earner, inherently assumes that a person belonging to a particular SEC would have a similar behavioral pattern is not suitable for the Indian context. They have done the psychographics segmentation of Indian households as per the monthly income basis and found six segments as Enjoyers, Self Concerned at the top level of the segment, Realists and Well Settled followed by the Strugglers and Conservatives with their varied opinion and job changing propensity.

Hence, from the adoption of the Vals II scale we can segment the Indian emerging Middle class as given below by Bajaj et al.(2009) in Fig 4

Fig 4: Vals II segmentation of Indian emerging Middle Class segments
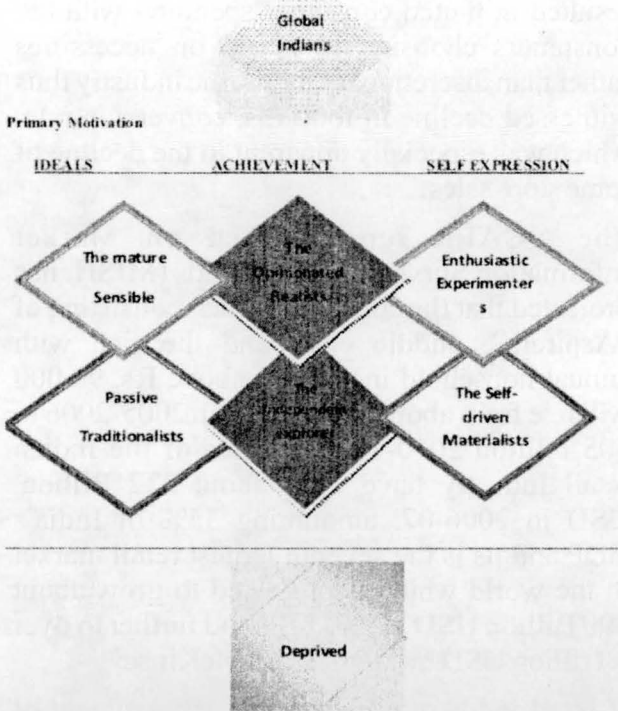
Values and Life Style Segmentation: Unlike the traditional segmentation, value and lifestyle segmentation (VALS) begins with people instead of products and classifies them into different types, each characterized by a unique style of living. Then it determines how marketing factors fit into their lives. VALS is relatively a new concept, pioneered by SRI International a management consulting firm in California, USA. As per them the VALS segmentation applied to India.

- The Self Driven Materialists: This group represents people who are ambitious and practical. They are self driven individuals constantly striving to achieve success in terms of materialistic possessions as well as social recognition. As consumers , they are reluctant to be extravagant and do not indulge themselves. They are non-reciprocative to discounts and sales and do not indulge in excessive buying of garments and jewellery during festive seasons. A look at the demographic show that 14.8% of the population of SEC-A and B lies in this group. A majority of this segment is the service class and 57% of this group is graduate.

- The independent Explorer: This group fiercely independent people. They are broad minded loyalists, not excessively ambitious and unorthodox in their behavior. Non-materialistic in their approach of life and they equate job satisfaction with the success of life. Family and friends do not influence their choice of brands with the celebrity endorsements. 24% of the entire population lies in this group and 42% of this group is post graduates, which goes to explain the independent nature of this group mainly comprised with young people in the age group of 18-34.

- The Passive Traditionalists: People who are the epitome of the tradition and conservatism define this group. India values, as well as the beliefs in the Indian system are strongly embedded in these people. They prefer job security to progress in career or job satisfaction and averse to risk. They are family oriented and most of their leisure activities are centered at home. They are not open to buy any foreign brand and plan any buying, do not indulge in impulse buying. Demographically 12% of SEC A and SEC B lie in this group within which 51% are graduates and 41% belongs to the age group

of 35-49.

- The Enthusiastic Experimenters: Individuals belonging to this group are enthusiastic in nature. This people are ardent followers of fashion, trends and Fad. They are the consumers who are ever ready to try out new brands and products (experimentative). These are the people who adopt the electronic media faster to shop and more likely to be seen at a McDonalds' or at Pizza Hut rather than a road side pav-bhajji stall. They tend to purchase heavily during festive season and are attracted by sales and discounts. 14.1% of the population belongs to this category and 50% of this group is in the age group of 18-24.

- The opinionated Realists: These people are self-centred and consider none but themselves. They do not quickly accept or experiment with new product and ideas. Demographics reveal that this is a fairly large group of 21% of age groups 18-49 amongst which 59% are educated till the level of higher secondary level and predominantly made up from affluent business class.

- The mature Sensibles: This group values more traditional values and systems like Joint families and religious, though don't follow rites and rituals regularly. They are polite and well mannered people who like formal work environment. They are not biased towards branded products insist value for money and yet quality conscious. This group representing 14.1% of the population and evenly spread across all the age group. Graduates make up 50% of this segment.

Indian Organised Retail and SME: The Indian retail industry has witnessed rampant growth over the last decade. However, during the economic recession since the latter half of FY09, the retailers especially in the organised segment suffered a set-back in the form of declining revenues and halt in their capex plans. The unemployment situation, further aggravating the fear of job losses during the recession, resulted in muted consumer spending with the consumers choosing to spend on necessities rather than discretionary items; the industry thus witnessed decline in footfalls, conversion rate, which was especially apparent in the decline of same store sales.

The NCAER report based on Market Information Survey of Households (MISH, has projected that the consuming class consisting of "Aspirers", middle class and the rich with annual household income of above Rs. 90,000 will rise from about 336 million in 2005-2006 to 505 million 2010-11. The sales of the Indian retail Industry have been about 322 Billion, USD in 2006-07, amounting 35% of India's GDP and its is the seventh largest retail market in the world which is projected to grow about 590 Billion USD by 2011-12 and further to over 1 Trillion USD by 2016-17 by McKinsey.

If retail industry grows then SME segment of India also grows because of the employment generation capability and availability of the discretionary income also grows and actually SME sector only supply the large numbers of SKU's in the organized retailers stock. Walmart procured more than $1 Billion USD of different SKU's from India during 2008-09 reported by At Kearney. Already a significant part of their merchandise is sourced from SME units and there is no reason to believe why this will change in the future with foreign FDI in retails, because only local sourcing would allow them to be competitive in oligopolistic market. In fact, the growth of the organized retail in the last decade has seen the emergence of a number of SME's who cater exclusively to the organized retailers, either through retailer's "Private Labels" or through their own brands and their population will only increase with growth in the modern trade cited by Deloitte 2010. The Fig 5 shows the trend line analysis from the annual

report of MSME 2010-11 about the SME growth and the employment with the total retail sales.

Fig 5: The trend analysis of MSME. Total employment to the Total Retail sales
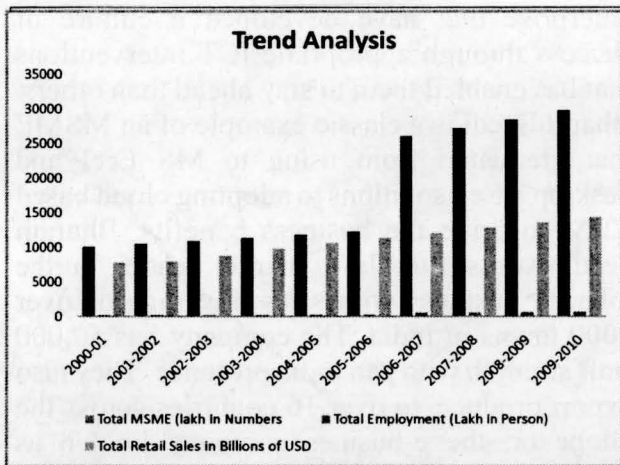
The above table reveals that the growth of MSME was increases along with the growth of Retail Sales. Both the sector increases, but MSME sector increases drastically in comparison to Retail Sales. The employment also increases but in a low volume. We have enough space to grow for Organised retail which would ultimately contribute to the total employment of the nation.

We have done a correlation analysis to find a relationship in-between the growth of MSME, total retail sales and employment and have found a positive co-relation shown in the Table 2. to validate our statement.

Table-2

Table2: Correlation Analysis			
	Total MSME (lakh in Numbers)	Total Employment (Lakh in Person)	Total Retail Sales in Billions of USD
Total MSME (lakh in Numbers)	1.000		
Total Employment (Lakh in Person)	1.000	1.000	
Total Retail Sales in Billions of USD	0.903	0.909	1.000

The correlation matrix which was represented in the above Table No.3 reveals that all the above three sector have a highly positive correlation among themselves. The inter item correlation values are all greater than .05, which is representing a high degree of correlation. Thus validates the assumption that the entire above sector have a close proximity among themselves. This reveals that there was a co-relation with the organized retail to MSME growth and the increased employability. For testing this objective we have taken a further analysis through t-test and its probability value (p-value), which was shown in the below table no.3.

Table 3: Compare Means				
Items		df	t Stat	P-Value
MSME	Employment	9	6.49	0.00
Employment	Retail Sales(USD)	9	-15.56	0.00
Retail Sales(USD)	MSME	9	-3.28	0.00

The t-test is often (although not exclusively) used to test the null hypothesis that two means are the same in the population, $Ho:\mu1=\mu2$. This proposition often arises in two different circumstances: the case in which the mean in one group is posed against the mean in another, and the case in which the mean for the same subjects (or matched subjects) on two different measures (or one measure at different times) is contrasted. In all the above cases t – test was coming highly significant i.e. MSME have a significant impact on Employment, employment have a significant impact on retail sales and retail sales have a significant impact on MSME. All the p value was coming less than 0.01 which means it is significant at 1 per cent level. So the hypothesis "co-relation with the organized retail to MSME growth and the increased employability" is fulfilled here.

Conclusion

India has over 26 million MSME's producing a diverse range of products from very basic from very sophisticated products and they contribute 8 percent of the country's GDP, 45 percent of the manufactured output and 40 percent of our exports. Despite their inherent cost competencies and uniqueness SME segment is continuously facing challenges at every stages of their operations. The process of market liberalizations and market reforms since 1991 has brought about intense competition for MSME's both in the domestic as well as the international market. Hence, it is imperative that SME's become globally competitive and matured enough to face the large multi-brand retail formats and to cope up their global standards there must be an effort to maintain their competitiveness Indian SME's have to adopt information and communication technologies sooner. The new generation IT models including software as service tools (SaaS) and Infrastructure as a service (IaaS) are helping SME's overcoming the technological divide through innovative IT delivery and pricing models. The extent of IT penetration and its usage in small and medium sized enterprises are less, but many are adopting the technology in a big way to differentiate themselves with competitors. (Singh, G. 2010). The cloud computing or "pay as you go" model of cloud computing would minimize the capex costs of SME sectors to adopt the ICT technologies faster and deliver values to their clients through faster deployment time and reduced time-to-market and realiability and scalability.

This sector also have realized the need for higher technological and modernization initiatives. Already this sector is facing increased competition from the foreign countries due to the economic liberalizations and changes in trade policies. There is huge market out there where many other countries e.g. China, Korea, Thiland etc. are well established . As the global competitiveness becomes intensive MSME's are transitioning to a new business environment with the emergence of the global supply chains. The MSME's that are successfully competing today are the enterprise that have developed a culture of success through appropriate ICT interventions that has enabled them to stay ahead than others. Bharat Beedi is a classic example of an MSME that graduated from using to MS Ecel and desktop based solutions to adopting cloud based CRM to drive the business benefits. Bharath beedi works Ltd. Is a market leader in the tobacco business with sales coverage of over 2000 towns in India. The company has 50,000 staff strength with pan India presence. They also export products to over 16 countries across the Globe or, the e-busines company known as Flipkart.com which initially started with only two young IIT passed out graduates and now having 4000 people working.

References:

1. Ablett. J, Baijlal. A, Beinhocker. E; The Bird of gold: The rise of India's Consumer Market; McKinsey Global Institute, May 2007

2. Andreason, A.R., 1984. Life status changes and changes in consumer preferences and satisfaction. Journal of Consumer Research, 11, 184–190.

3. Beardon, W.C., and Etzel, M. J., 1982. Reference group influence on product and brand purchase decisions. Journal of Consumer Research, 9, 183–194.

4. Bellanti, D., and Foster, A.C., 1984.Working wives and expenditure on service. Journal of Consumer Research, 11, 700–710.

5. Bhagat,R.B., 2005. Rural urban classification and municipal governance in

India. Singapore Journal of Tropical Geography, 26, 61–73.

6. Chatterjee, A., 1995. Personality ploy. Business Today.

7. Chatterjee, A., 1996. Marketing to new Indian consumer of generation – I. Business Today.

8. Day, E., Davis, B., Dove, R., and French, W., 1987. Reaching the senior citizen market(s). Journal of Advertising Research, 27, 23–30.

9. Doughlas, S.P., and Urban, C.D., 1997. Lifestyle analysis to profile international markets. Journal of Marketing, 41, 46–53.

10. Eighmey, J., 1997. Profiling user responses to commercial websites. Journal of Advertising Research, 37, 59–66.

11. Eighmey, J., 1997. Profiling user responses to commercial websites. Journal of Advertising Research, 37, 59–66.

12. Henry, W.A., 1976. Cultural values do correlate with consumer behaviour. Journal of Marketing Research, 13, 12–17.

13. Kapoor, D., 1985. Religiosity, Caste Prejudice, Conservatism and Lifestyles in Four Faith Groups : A Psychometric Study. University of Delhi, India, Department of Psychology.

14. Kapoor, D., 1985. Religiosity, Caste Prejudice, Conservatism and Lifestyles in Four Faith Groups : A Psychometric Study. University of Delhi, India, Department of Psychology.

15. Kapur, S., 1995. Life style on two wheels. Business World.

16. Kumar, R.V., and Mitra, S., 2004. Toothpaste usage and consumer profiles. Organisational Management, XX, 5–11.

17. Kumar, V, R. and Sarkar, A. 2008

Psychographic segmentation of Indian urban consumer. Journal of the Asia Pacific Economy 13(2),204-226

18. Lastovick, J.J.,Murry, J.P., Msthales, E.A.J., Bhalla, G., and Scheurich, J., 1987. A lifestyle typology to young male drinking and driving. Journal of Consumer Research, 14, 257–263.

19. Medhi, G.K., Hazarika, N.C., and Mahanta, J., 2006. Correlates of alcohol consumption and tobacco use amongst tea industry workers in Assam. Substance Use and Misuse, 41, 691–706.

19. Plummer, J.T., 1971. Lifestyle patterns and commercial bank credit card usage. Journal of Marketing, 35, 35–41.

20. Potter, W.J., Forrest, E., Sapolsky, B S., and Ware, W., 1988. Segmenting VCR owners. Journal of Advertising Research, 28, 29–39.

21. Qualls,W.J., 1987. Household decision behaviour: the impact of husband and wife sex role orientation. Journal of Consumer Research, 14, 264–277.

22. Rao, S.L., and Natarajan, I., 1996. Indian Market Demographics – The Consumer Classes. National Council for Applied Economic Research (NCAER).

23. Rich, S.U., and Jain, S.C., 1968. Social class as predictors of shopping behaviour. Journal of Marketing Research, 5, 41–50.

24. Roy, S., and Goswami, P., 2007. Psychographics and its effect on purchase frequency – a study on the college-goers of Kolkata, India. Decisions – Journal of IIM Calcutta, 34, 63–93.

25. Shukla. R. K; Dwivedi. S.K; and Sharma. A; The Great Indian Middle Class: Results from the NCAER Market Information Survey of households in association with

Business Standard, 2004 (http://www.ncaer.org/Downloads/Publicationscatalog.pdf)

26. Sharma, L.S., and Chaubey, D.S., 2004. Consumer Behaviour towards mobile service providers – a case study of consumers of Lucknow City. Survey, 44, 35–49.

27. Shirali, A., and Singh, I., 1997. Status symbols: an A&MORG-MARG survey. Advertising, and Marketing.

28. Singh, G. Creating Competitive SME's a joint report published by Confederation of India (CII) and Price Water House Coopers (PwC), Oct 2010.

29. Slocum, J.W., and Mathews, H.L., 1970. Social class and income as indicators of consumer credit behaviour. Journal of Marketing, 34, 69–73.

30. Stafford, J.E., 1966. Effects of group influence on consumer brand preference. Journal of Marketing Research, 3, 68–75.

31. Sudha, S., and Rajan, S.I., 1999. Female demographic disadvantage in India (1981–1991): sex selective abortion and female infanticide. Development and Change, 30, 585–618.

32. Walker. M, Mukherjee. D, Gupta, G; Will India become old before it becomes rich? Demographic changes and the impact on business strategies,

33. A.T.Kearney, 2011(http://www.atkearney.com/index.php /Publications/will-india-become-old-before-it-becomes-rich.html).

* Associate Professor, Regional College of Management, Bhubaneshwar, Orissa.

** Assistant Professor, Regional College of Management, Bhubaneshwar, Orissa.