Journal of Banking,
Information Technology and Management
Volume 09 No. 02
July-December, 2012

Reality of Retailing: The Effect of Upcoming Malls on Selling of Vegetable Vendors in Vadodara City

Shweta Mehta & Nirvesh Mehta

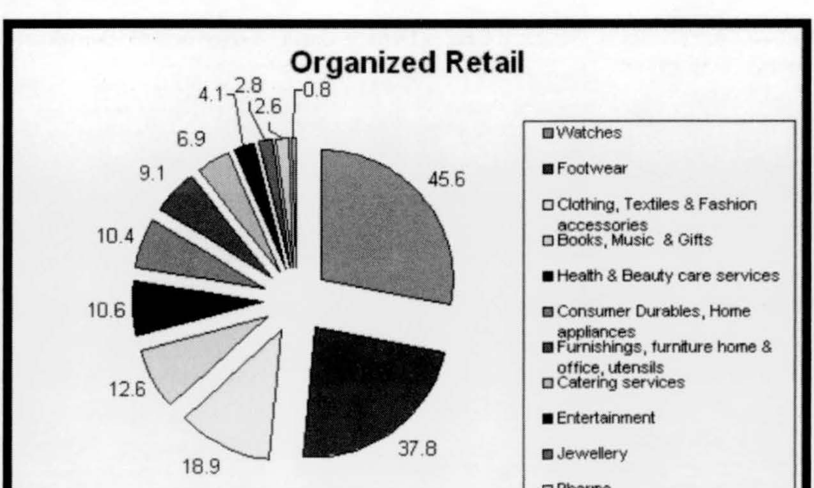
Abstract

Retail is India's largest industry, accounting for over 10 per cent of the country's GDP and around eight per cent of the employment. Retail industry in India is at the crossroads. It has emerged as one of the most dynamic and fast paced industries with several players entering the market. The Indian retail market, which is the fifth largest retail destination globally, has been ranked as the most attractive emerging market for investment in the retail sector, by AT Kearney's Eighth Annual Global Retail Development Index (GRDI), in 2009. Total size of retail market in India is estimated to be Rs 930, 000 crore (US $ 200 billion) in 2004.

Keywords: *Reality, Retailing, Department, Globally.*

Introduction

The share of organized market is estimated to be only about 3.5 %. But organized retail is expected to grow at a rate of 25-30%, almost 3 to 4 times the overall retail market growth over the next five years, achieving a share of about 10 % by 2010. The organized sector retailers use systematic marketing concepts and tools. They segment their markets, improve their targeting and positioning and are aggressively expanding the business.



Emerging Mall Culture in India. In today's era malls are emerging at a fast pace. One of the main reasons is All-in-one stores with everything from groceries and vegetables to footwear, clothes, cosmetics, furnishings and electrical items available under one roof, A growing middle class with higher disposable income is heading for the malls in droves. For some, it is a way to chill out on movies and food in the added comfort of a fully air-conditioned space. "In short, it is a living room for most of them." Even Malls' new concept is to sell vegetables too. But in the introductory phase, at some places problems occurred in a few cities like Ranchi, Bhopal, Hyderabad and Ahmedabad initially as glass panes of some malls were broken down by local vendors as a protest against mall concept of selling vegetables in the year 2007.

Only local vegetable vendors and Malls selling vegetables are taken as the form of retail market for the research purpose.

Major players in Vadodara city are

1 **Reliance Fresh**

2 **More**

3 **Spencers**

4 **D-mart**

5 **Subhiksha**

6 **Big Bazaar(Food Bazaar)**

Review of Literature

In the introductory phase of mall culture, at some places problems occurred which can be seen through this report "According to the study by Harish Bijoor Consults, prices of fruit and vegetables fell 7- 11% in the city's new retail stores even as corresponding prices in the unorganized markets fell by just 3- 4%". However, the real fallout has been on small hawkers and pushcart vendors. With people shifting their shopping to organized retail stores, sales at pushcarts have plunged 37% in terms of volume, and with prices dropping at chain stores, sales in value terms have dropped as much as 59%. The maximum distress was seen among Hyderabad's more than 6,500 hawkers, who reported a 35-40% fall in income, according to the study. Some hawkers interviewed for the study said they could no longer sell in areas close to supermarket stores. They said they now bought from a chain store in the morning and then went to a locality far away from it to sell their produce. Some hawkers reported that their incomes had fallen to Rs3,500 from Rs12,000 a month over the last two years.

Activists in Hyderabad say that small traders are the losers. "The market is shifting as people here tend to buy more from malls and these new shops," said Girish Sanghi, a Member of the Rajya Sabha from Andhra Pradesh, who has been agitating on behalf of small traders.

This report led us to identify the Reality of Retail- Effect of upcoming malls (Reliance Fresh, Spencers, More, Big Bazaar/ Food Bazaar) on sales of Retail Vegetable Vendors in Vadodara city".

Research Study

OBJECTIVES OF THE STUDY

1. To measure the success of the new concept of upcoming malls.
2. To study customer's purchase pattern regarding vegetables.
3. To know the factors which attract customers towards malls.

LIMITATIONS OF THE STUDY

1. We had to rely upon the information given by respondents, which may not be fully true.
2. It is limited to a few areas of Vadodara city only.

RESEARCH DESIGN

RESEARCH POPULATION

Total population of the study comprises people of Vadodara city and all local vegetable Vendors from different vegetable market areas.

SAMPLING FRAME

The lists, maps or other specifications of the sampling units from which a sample is taken is called **Sampling Frame.**

Vadodara city map was studied thoroughly and samples were selected from different places in a scattered manner to get effective results.

In our study, sampling units comprise people of Vadodara city and all local vegetable vendors from different vegetable market areas.

SAMPLING METHOD

Stratified convenience random sampling.

In this context we covered Khanderao market, Gotri, Kadak bazaar and Karelibaug and among the malls we covered Reliance Fresh, Spencers, More and Big Bazaar (Food Bazaar).

SAMPLE SIZE

For our study we have taken 350 customers on the basis of pretesting of 20 samples.

For the local vegetable vendors we have taken sample size of 100 on the basis of pretesting of 20 samples.

DATA COLLECTION METHOD

For our study, we have collected primary data through Field Survey (Personal Interview) and Observation methods.

TOOLS FOR DATA COLLECTION

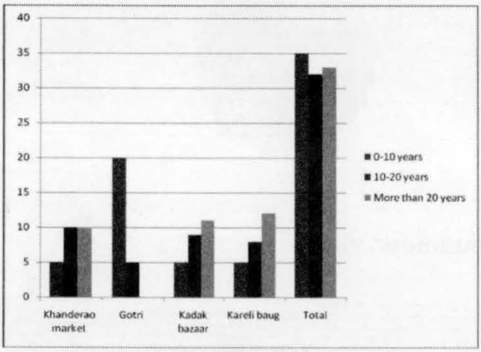
For collecting the data we have used Structured Non-Disguised Questionnaire.

Analysis of the Vendors' Views

From each market 25vendors were selected for the study purpose which makes a total of 100 vendors.

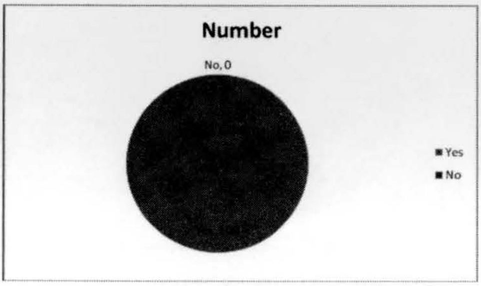
GRAPH 1

Data showing time period since the vendors are selling vegetables in their areas.



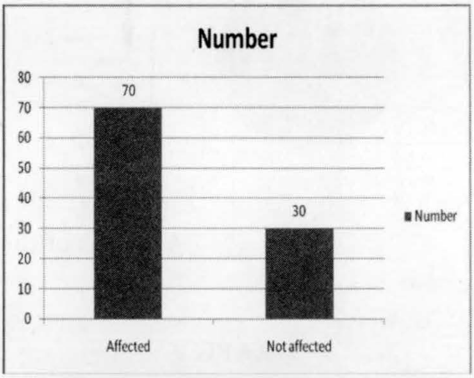
GRAPH 2

Data showing the awareness of vendors regarding the malls selling vegetables.



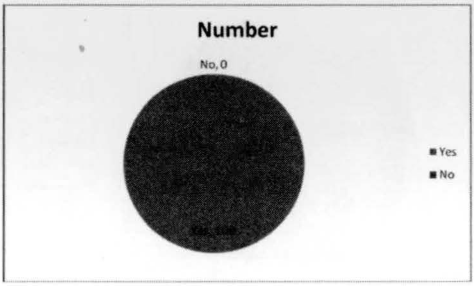
GRAPH 3

Vendors who feel that their sales are affected.



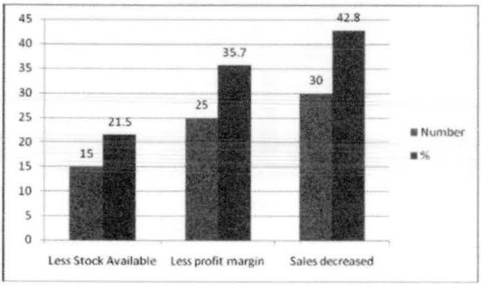
GRAPH 4

Data showing since when sales of vendors are affected



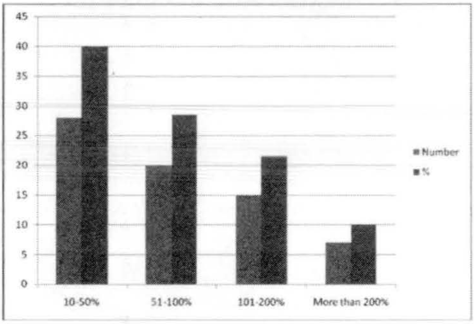
GRAPH 5

The reasons why sales of vendors are affected.



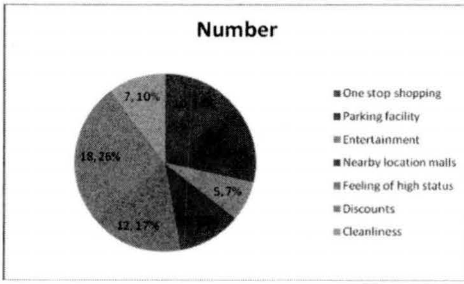
GRAPH 6

Data showing by how much % sales of vendors are decreased



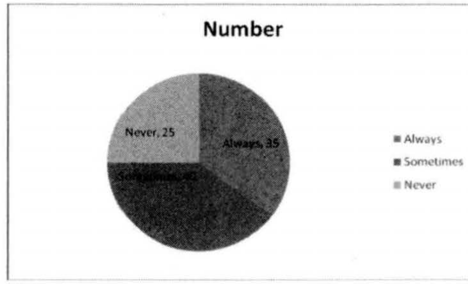
GRAPH 7

Data showing the reasons for this decrease in sales or customer switching as per their own perception.



GRAPH 8

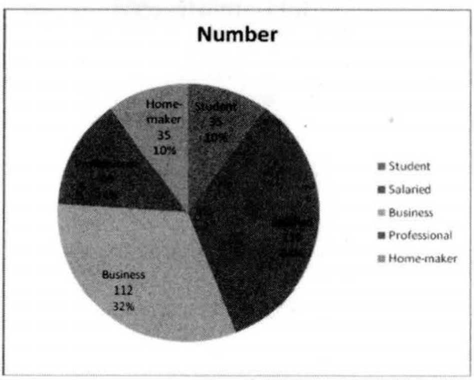
Data showing vendors who agree that people negotiate in local markets.



Analysis of the customers' views

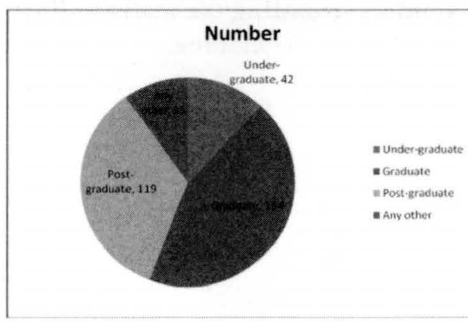
GRAPH 9

Data showing occupation to which the respondents belong.



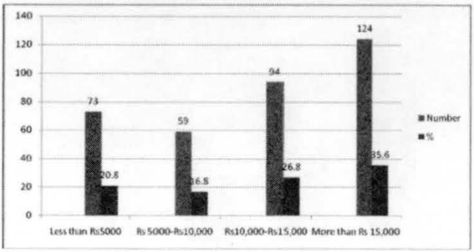
GRAPH 10

Data describing the education status of the respondents



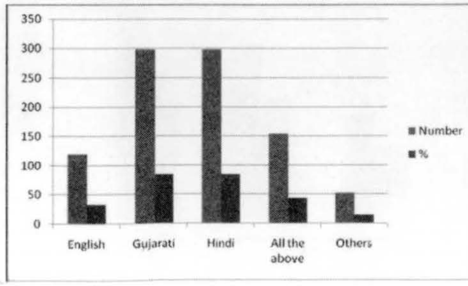
GRAPH 11

Data showing the income group to which respondents belong.



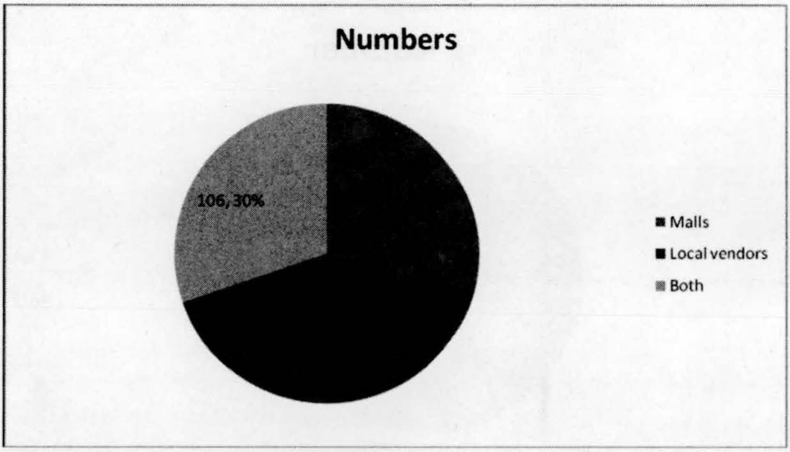
GRAPH 12

Data showing how many respondents speak a particular language out of total respondents



GRAPH 13

Data showing the place from where respondents purchase vegetables



Hypothesis Test:

H_o: There is no difference in preference for place from where respondents purchase vegetables among different income groups.

H_1: There is difference in preference for place from where respondents purchase vegetables among different income groups.

$\alpha = 5\ \%$

Income Group

Place	*< 5,000*	*5,000- 10,000*	*10,000 – 15, 000*	*>15,000*	*Total*
Malls	-	-	11	90	101
Local Vendors	73	36	30	04	143
Both	-	23	53	30	106
Total	73	59	94	124	350

From the above table,

?^{2}= (O-E)^2 / E

?^{2}= 7.19

<u>Rejection criteria</u>

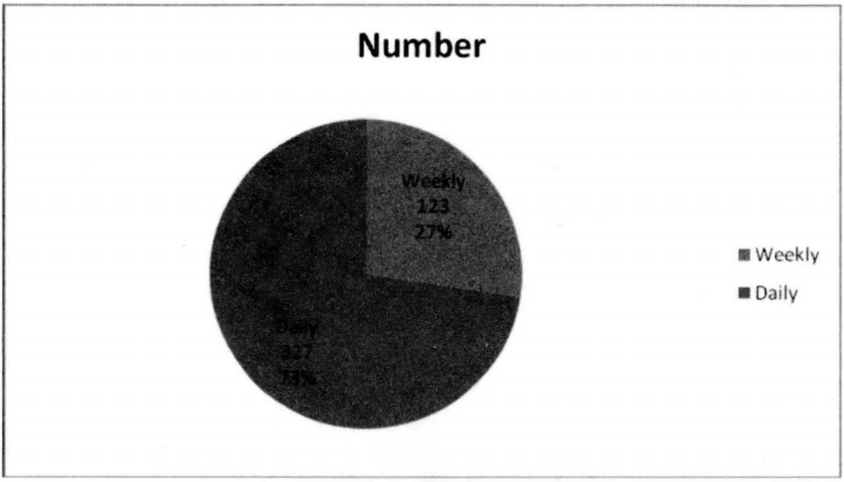
H_o is rejected if calculated

Here, calculated

Hence, null hypothesis may be rejected and we can conclude that there is difference in preference for place from where respondents purchase vegetables among different income groups.

GRAPH 14

Data showing the frequency of purchasing vegetables

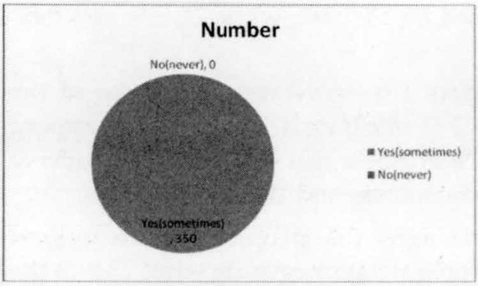


Data showing the people's preference of the factors for the purchase of vegetables

Preference	*Packing facility*	*Price*	*Cleanliness*	*Freshness*	*Near by*	*Measurement accuracy*	*Availability*	*One stop shopping*	*urgency*	*Payment option*
1	3	7	21	**140**	70	42	18	7	31	11
2	7	11	31	70	21	**140**	7	18	42	7
3	7	3	18	42	**140**	70	31	21	7	18
4	18	18	11	31	42	18	140	11	21	3
5	21	21	70	21	18	31	70	42	140	7
6	11	7	140	18	31	21	42	7	3	21
7	42	31	42	11	7	3	21	140	18	31
8	31	42	7	7	3	11	7	70	7	140
9	70	140	3	7	7	7	11	31	70	42
10	140	70	7	3	11	7	3	3	11	70
Total	350	350	350	350	350	350	350	350	350	350

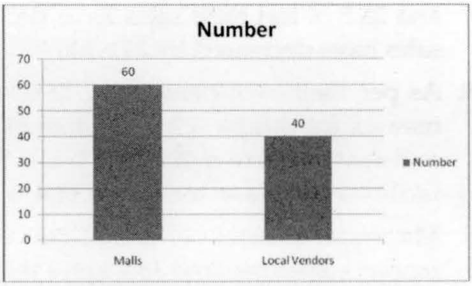
GRAPH 15

Data showing people influenced by some special schemes offered by malls



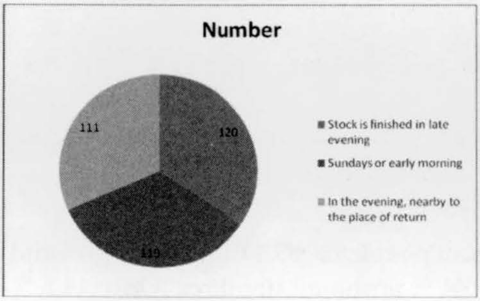
GRAPH 16

People who feel there is home delivery facility



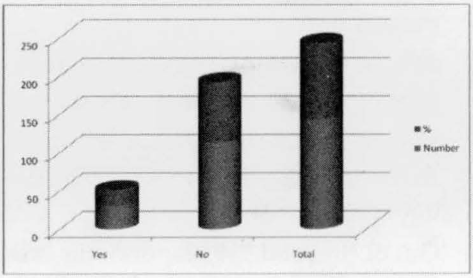
GRAPH 17

Data showing the people's preference of the factors for the purchase of vegetables



GRAPH 18

Showing people purchase vegetables when sometimes they visit malls for purchasing other product



Findings (Vendors)

1. Most of the vendors i.e. 35% have been operating for 0-10 years, 32% for 10-20 years and 33% for more than 10 -20 years. Gotri is a new market as compared to other three.
2. All the vendors (100%) are aware that at present malls are selling vegetables too.
3. Maximum i.e. 70% of the vendors feel that their sales are affected because of this new concept of malls selling vegetables. While 30% of the vendors feel that their sales are not at all influenced by malls.
4. All the 70 vendors whose sales are affected feel that their sales have been affected for 2-3 years.
5. Majority i.e. 42.8 % vendors believe that their sales have decreased and 35.7 % vendors feel that they have less profit margin while the rest believe that less

stock is available for them because most of the stock is purchased by malls people in large quantity. Consequently, prices go up and they've less profit margin.

6. The rest 30 % vendors believe that sales in the initial period were affected but at present there is no effect. Their sales are what they were before.
7. Maximum number of vendors i.e. 40% feel their sales have decreased by 10-50% and 28.5 % feel their sales have decreased by 51-100% while 21.5 % vendors' sales have decreased by 101-200%.
8. As per their own perception, 26% vendors give entertainment as one of the reasons for this switch of customers. 14.2 % attribute it to one stop-shopping and nearby location of malls. While 17.1 % attribute this switch over to parking facility available in malls and 11.4 % to cleanliness and 10% to discounts.
9. Maximum number i.e. 40% of the vendors agree that people negotiate in local market sometimes and 35% agree that people always negotiate while 25% of the vendors say that people never negotiate.

Findings (Customers)

1. Maximum number (34%) of the respondents belong to salaried class, 32% are business people, and 14% are professionals while 10% are students and home-makers each.
2. 44 % of the respondents are graduate, 34 % post-graduate while 12 % are under-graduate. And the others are only 10 %.
3. Maximum number of respondents i.e. 35.6 % earn more than Rs15,000 a month, 16.8% from Rs 5000 to Rs10,000, 20.8 % earn less than Rs5000 and 26.8% earn between Rs10,000-Rs15,000.
4. Out of the total 350 respondents, maximum people i.e. 85.14% speak Hindi and Guajarati while 34% speak English and 44 % speak all the three. Only 14.8 % speak other languages.
5. Maximum number of respondents i.e.40.8 % purchase vegetables from local vendors while 30.4% purchase from both and the rest purchases from the Malls.
6. Maximum number i.e. 65 % of the people purchase vegetables daily because the malls are nearby and they get fresh vegetables while other 35% purchase weekly due to lack of time as they are working people or the market is far away.
7. People give freshness most priority to be considered for purchasing vegetables while they are least concerned with a little bit difference in price.
8. All the respondents are sometimes influenced by some special schemes offered by malls such as discounts on special days.
9. Out of 350 respondents, 60 people said there is home delivery facility in malls while 40 people said that it is available in local market and the rest are not aware of it.

10. Almost all people feel there is some role of time in purchasing decision. 34 % feel that there is no market on Sundays or in the early morning and 34.3% people say that stock is finished in the late evening when they return from their job. 31.7% of the people say that when they return from their job, they purchase from the nearby places.

Conclusion

The new concept of upcoming malls to sell vegetables has been effective to some extent. They have been successful to capture upper middle class and upper class people but they still need to change the psychology of lower middle class and lower class people.

Most of the people purchase vegetables from malls due to urgency, near by location and time factor.

References:

Flynn, L.R. (1995). "Interactive Retailing: More Choices, More Chances, More Growth". Forrest, E., Mizerski, R. (Eds), Interactive Marketing: The Future Present, American Marketing Association, Chicago, IL.

Hazel D. (1996, August). "Non Store Retail Comes Together with Chains". Chain Store Age State of the Industry, Supplement. pp. 32A-33A.

J.N. Jain & P.P. Singh (2007). Modern Retail Management Principles and Techniques. Regal Publications. "Retail Management an Overview". p.33

Munjal Darpan (2009, January). "Web 3, The Future of Retailing". Retail Biz. p.27

Neralla Devang (2009, April). "Atom IVR: Absolute Security". Retail Biz. pp. 47- 48

Paramashivan Rohit. (2008, September). "Tale of the Great Indian Retail". Images Retail, p.122

Ms Shweta Mehta, Assistant Professor, S.K. Patel Institute of Management and Computer Studies, Gandhinagar.

Dr Nirvesh Mehta, Kadi Sarva Vidyalaya, Gandhinagar.