RESEARCH PAPER | Management | Volume : 5 | Issue : 10 | October 2015 | ISSN - 2249-555X

Emerging Vistas of Food Retail Market in India: A Cognitive Approach

KEYWORDS: Food retail market, Emerging Trends, Shopping Intension

A.M.A. JENITA	Dr.M.LAKSHMI BALA	Dr.N.Sumathi
Research scholar	Head, Department of Business Administration, Kundhavai Naachiyaar college of arts for women, Thanjavur.	Parvathy Illam, Adaikalamatha College Campus, Adaikalamatha College, Vallam, Thanjavur - 613403

ABSTRACT *Retail Sector is the most booming sector in the Indian economy. With the increasing demand of the customers spurred by changing trends, aspiring needs for variety, the traditional retail gave rise to modern retail format. The traditional food and grocery segment has seen the emergence of supermarkets/grocery chains, convenience stores and hypermarkets. A changing landscape in India has changed spending habits. In urban Indian, families are experiencing growth in income but dearth of time. More and more women are taking up corporate jobs, which is adding to family's income and leading a better lifestyle. Rising income has led to a demand for convenience and services. The demand for frozen, instant, ready to cook and ready to eat food has been on rise, especially in metropolitan and large cities in India. There is also a strong trend in favour of one shop like supermarkets and departmental stores. The purpose of this study is to sort out the new shopping trends in the food retail market having an insight on the emerging prospects in food retail market. Therefore, the study analyze the shopping intentions of the consumers in food retail outlets.*

1.1 INTRODUCTION

The Indian retail sector is witnessing tremendous growth with the changing demographics and an increase in the quality of life of urban people. With the increasing demand of the customers spurred by changing trends, aspiring needs for variety, the traditional retail gave rise to modern retail format. The traditional food and grocery segment has seen the emergence of supermarkets/grocery chains, convenience stores and hypermarkets. In India, for a long time the corner grocery store was the only choice available to the consumers. Traditionally, retailing has not been a structurally organized industry in India. Organized retail network was seen only in fabrics, with large mills building their own exclusive stores like Raymond's, Bombay Dyeing etc. A changing landscape in India has changed spending habits. In urban Indian, families are experiencing growth in income but dearth of time. More and more women are taking up corporate jobs, which is adding to family's income and leading a better lifestyle. Rising income has led to a demand for convenience and services. The demand for frozen, instant, ready to cook and ready to eat food has been on rise, especially in metropolitan and large cities in India. There is also a strong trend in favour of one shop like supermarkets and departmental stores. Food retailers have undergone enormous change in the last two decades. Several factors have contributed to this change: substantial industry consolidation; globalization; retail format proliferation; alternative delivery options; and threatened profit margins. Above all, the changes impacting food retailing, the change in consumer demographic and demand preferences have driven consumers to demand greater convenience, higher quality, more variety, and better nutrition, and more services while maintaining a focus on price.

1.2 FOOD RETAIL – A Global Scenario

Rise in the global population, changing customer preferences, and emerging economies are making the way for the food retail industry. It is a dynamically progressing industry and contributes to the development of several industries such as food packaging. Rising middle-class population is creating growth opportunities for food retail market and is expected to drive the market further. Government investment in infrastructure and the entry of global food processing companies in developing countries are expected to minimize the impact of supply chain-related restraints. The threat from unorganized players is expected to be high in the short term, medium in the medium term and low in the long term. The number of organized players is increasing in developing countries due to increasing urbanization and per capita income. Food Retail is categorized under distribution channel into four different segments: supermarkets or hypermarkets, independent and specialist retailers, convenience stores and others. Supermarket or hypermarket segment holds the largest share of the overall market in 2013 at USD 2,925.8 billion and is expected to reach USD 4,448.5 billion by 2020 at a CAGR of 6.2 % during 2014 to 2020.

1.3 FOOD RETAIL IN INDIA

Retailers in Indian food retail industry range widely in size yet unlike in many other nations large chain Supermarkets and Hypermarkets in India have a somewhat moderate force than smaller independent retailers. The food retail market includes the retail sales of all food products, both packaged and unpackaged, as well as beverages. The Indian food retail industry had total revenue of US$ 306.1 billion in 2009, representing a compound annual growth rate (CAGR) of 11.7 percent for the period spanning 2005-2009. By 2014, the Indian food retail industry is forecasted to have a value of US$ 443.7 billion, an increase of 45 percent since 2009. (Datamonitor, 2010). It presently accounts for around 14 percent of overall organized retailing (KPMG, 2010). Organized retailers are facing stiff competition from traditional-style grocers, who are clearly still the preferred source for the Indian masses, especially in smaller cities and towns. Traditional stores are mostly owner-operated and have low property and labour costs. With changing lifestyle there is growing scarcity of time, and convenience in food shopping is emerging as an important

Volume : 5 | Issue : 10 | October 2015 | ISSN - 2249-555X

driver of growth of one-stop retail formats that can offer consumer 'value for time' in addition to 'value for money'. These are giving an opportunity to various organised retail formats under food and grocery retail chains. Top Food Retailers in India are Food World, Nilgiris, Subhiksha Discount Grocery, Food Bazaar, Trinethra Discount grocery, Valdel retail (Family Mart), Spencers, Reliance Fresh, More, 6ten, Easy Day, Star Bazaar, Big Bazzar, etc.

1.4 OBJECTIVE OF THE STUDY

i) To examine the problems, challenges and opportunities in Food retail Market.
ii) To exhibit the profile of the consumers preferring organized food retail market.
iii) To examine the Shopping Intentions among the consumers.

2.1 CONCEPTUAL FRAME WORK

In the present study, descriptive research design was followed. The data were collected through the constructed questionnaire. The purposive sampling procedure has been adopted to identify the sampled retailers and consumers included in the present study. The sampled consumers for the present study are 427 consumers. The multivariate statistical technique which is applied to find out the interdependence of the variables, its reliability and validity of the variables in each construct. (Fornel and Sacrcker, 1981). In the present study, the CFA had been used to test the reliability and validity of various variables included in each constructs related to consumer shopping behaviour in food retail market.

TABLE 2.1 Variables of Shopping Intentions in Food Retail

Sl. No.	Variables	Sl. No.	Variables
I	Price-Consciousness	IV	Bargain-Consciousness
1.	Searching lower prices	1.	Looking for discounts
2.	Shopping more than one store and select	2.	Hunting for bargains
3.	More conscious on money saving	3.	Shopping when there is offers/sales
4.	Spend more time and effort to search least price		
II	**Price-Quality Association**	**V**	**Socialization**
1.	High priced product perceived as good quality	1.	Shopping to enjoy crowds
2.	Get What they pay for	2.	Shopping to watch other people
3.	Price is an indicator of quality		
III	**Need-based buying**	**VI**	**Brand Loyalty**
1.	Buy the Groceries when there is a need	1.	Stick on particular outlet
2.	Lesser frequency of purchase	2.	Shopping is comfortable in this outlet
3.	Fresh vegetables available	3.	Positive word of mouth on that particular outlet

2.1.1 Consumers view on factors of Shopping Intention in food retail

The consumer's view on factors of shopping intention has been measured by the mean score of the variables in each factor. The mean score of each factor have been computed among group I, group II and group III consumers separately. The one way analysis of variance have been used to find out the significant difference among the three group of consumers regarding their view on factors and their shopping intention. The results are given in Table 2.2.

2.1.2 Reliability and Validity test for factors of Shopping Intention in food retail

In total, there are six factors included to examine the shopping behavior of the consumers in Food and Grocery retail outlets. The variable in each factor is ranging from 3 to 4. The Shopping intentions have been measured with the help of two variables. The score of the variables in each factor have been included for Confirmatory Factor Analysis (CFA) in order to test the reliability and validity of variables in each factor. The Cronbach Alpha of each factor is computed to show the internal consistency. The results are given in Table 2.3.

TABLE 2.2 Consumers' view on factors of Shopping Intention in Food Retail Market

Sl. No.	Factors of Shopping Intention	Mean score among the consumers			F-statistics
		Group I	Group II	Group III	
1.	Price-Consciousness	2.6468	2.8630	3.7105	3.2668*
2.	Price-Quality Association	2.7858	2.9907	3.8220	3.3317
3.	Need-based buying	2.6729	3.0659	3.7463	3.2565*
4.	Bargain-Consciousness	2.7553	3.1658	3.5104	2.6869
5.	Socialization	3.0340	3.2420	3.7025	2.0661
6.	Brand Loyalty	2.7112	3.1133	3.8281	3.1144*

* Significant at five per cent level.

TABLE 2.3 Flexibility and Validity of variables in factors of shopping Intentions in Food retail Market

Sl.No	Factors	Number of variables	Range of standardized factor loading	Range of 't' statistics	Composite reliability	Cronbach alpha	Average variance evaluated
1.	Price-Consciousness	4	0.8911-0.6549	3.9446*-2.9943*	0.7402	0.7666	55.00
2.	Price-Quality Association	4	0.8456-0.6708	3.5082*-3.1742*	0.7514	0.7842	56.65
3.	Need-based buying	3	0.9142-0.6227	4.2108*-2.5887*	0.7334	0.7667	55.01
4.	Bargain-Consciousness	3	0.8049-0.6339	3.3886*-2.6562*	0.6818	0.7066	52.11
5.	Socialization	2	0.9224-06565	4.3845*-2.9991*	0.8011	0.8244	58.86
6.	Brand Loyalty	2	0.8144-0.7667	3.4042*-3.0841*	0.7011	0.7233	53.68

* Significant at five per cent level.

3.1 DISCUSSION & CONCLUSION

From the study the highly viewed factor leading shopping intention of the consumers towards food retail among the group I consumers is Price consciouness and need based buying whereas among the group II consumers, there are bargaining consciousness and price – quality association.

Volume : 5 | Issue : 10 | October 2015 | ISSN - 2249-555X

In the case of group III consumers, there is need based buying and bargaining consciousness. Regarding the decision making style, the significant difference among the three group of consumers have been noticed in all six variables included in it. The Indian organized retail sector is growing. In the first phase of the retail revolution, the focus of food retailers had been largely on capturing the consumers' attention and providing them with a new shopping experience. In this regard, the paper attempted to provide insights into consumers shopping intention in the field of food retail in India. The paper is a trigger to the researchers and academicians to explore the research possibilities in this emerging area which may help the food retailers and other stakeholders of the trade in achieving consumer satisfaction.

REFERENCE • Ann MF, Jihyun K (2007). An integrative framework capturing experiential and utilitarian shopping experience, Int.J.Ret ail. &Dist. Mgmt, 35: 421-442. • Chilli breeze Business Review (2009). Food and Grocery Retail Scene in India. Retrieved from http://www.india-reports.com/summary/Food-Retail.aspx [Accessed on 25 April 2010]. • CII-AT Kearney (2006): Retail in India-getting organised to drive growth, a CII-AT Kearney Report, November. • Datamonitor (2010, June). Food Retail in India. Retrieved from http://360.datamonitor.com/Product?pid=4099A0C2-8856-4A6F-A5D4-16059C4345DB [Accessed on 16 Sept. 2010]. • Datta, A. and S. Bhattacharaya (2007): Fresh@yaani sabkuch taaja (Fresh@means everything fresh), Images Retail, 4(3), 30-33. • Dinesh KG (2008). Understanding the Determinants of Retail Strategy: An Empirical Analysis, J. Retail, 84(3): 256-267. • Dirk M, Bernhard S, Hanna S (2005). Competitive strategies in retailing - an investigation of the applicability of Porter's framework for food retailers, J. Retail. & Cons. Serv., 13(4): 275-287. • Gopalakrishnan, S. and P. Srinivasa (2009): —Corporate Retail: Dangerous Implications for India's Economy, Economic and Political Weekly, 44(32), 48-55. • Joseph, M, N Soundrarajan, M Gupta and S Sahu (2008): Impact of Organized Retailing on the Unorganised Sector, Indian Council for Research on International Economic Relations (ICRIER), New Delhi, May.