A Study of Traditional Retailing and Mall Culture in Maharashtra State

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Introduction:

Thepresent study is focusing on the retail system in Maharashtra. There are a number of changes taking place for the improvement of the different retail formats which are highlighted in this research. Although the modern retail outlets are building their own status, still the traditional retail outlets dominate the retailing system in Maharashtra.Thus retail consists of sale of goods and services from individuals or businesses to the end-user. A retailer earns profit by purchasing large quantities of goods and services either from manufacturers directly or through a wholesale and he is a part of an integrated system called the supply chain.[1]

The word "retail" means the sale of goods or commodities in small quantities directly to consumers Retailing can be defined as a distribution channel function, where an organization, buying the products from supplying firms or manufacturing the products themselves, sells these directly to consumers. Many a times, consumers buy from an organization who is not the manufacturer of the products, rather it is a reseller of the products obtained from others. However, in some cases we may find the product manufacturers operating their own retail outlets in a corporate channel arrangement. Retailing is beneficial to both consumers and sellers. On the one hand it enables the consumers to purchase small quantities of an assortment of products at a reasonably affordable price; on the other it offers an opportunity to suppliers to reach their target market. Through retail promotions they can build product demand and provide consumer feedback to the product marketer.[2]

The retail sector is broadly classified into two groups: organized and unorganized retail sector. The organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sale tax, VAT, income tax, etc. These include the corporate backed hypermarkets and retail chains, and also privately owned large retail businesses.

For understanding the spirit of a mall, it is required to find out something more substantial as shopping malls are not just real estate property. Avijit Ghosh and Sara McLafferty[3] mention that in a shopping centre, the developer has direct control over the mix of outlets (the tenant-mix) and the centre's image and positioning.

Table 4.5: Summary of attributes for the preference of different Traditional retail formats in Maharashtra state.

Sr. No.	Formats	Attributes
1.	**Kiranas**	There are nearby shop to buy daily needs They stock goods from staples to FMCG. Mostly run by household persons. Provide additional services like obtaining un-stocked item on request delivering goods to door step and granting monthly credits.
2.	**Paan-Bedi Outlet**	Paan-beedi shops are unique retail form found in India. They are very small shops manned by a single individual. It also stocks tobacco, chocolates and some FMCG articles.
3.	**Mandi**	Mandis are market with a fixed place. In Mandi various sellers of a commodity gathers. SabjiMandi, specifically stocks vegetables, fresh varieties of seasonal fruits and vegetable found here.

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4.	**Melas**	Mela is organized once in year or every few month around the time of a festival. In a mela different merchant brings variety of goods which are not easily accessible to villagers. It also provides entertainment and funfair.
5.	**Handcart Hawkars/ Cart Vendor**	Cart vendor sales fresh fruits and vegetable in residential areas. Generally, housewife buys from the on daily basis as they provide on credit also. They sale their products of a cart which allows them the freedom to move around from place to place. Some of them also sale plastic and metallic household equipment through handcart.
6.	**Haat**	Haat is generally found in villages that is once in a week and it is also called as weekly market. In a haat a market is organized in a particular location on a particular day where sellers from different area gather to sale their products. Haat includes goods ranging from fruits to clothes or other accessories like bangles, household goods.

(Source: Primary Data)

The above table highlights the traditional retailing forms found in Maharashtra state and their attributes which gives more convenience to the customer with the help of different format like in kirana shop, there is availability of more local brands and the owner of the particular shop give credit to customer as he know them very personally, on the other hand paanbedi maintained its image in the Indian market very positive for the best betal leaf for consumer. Similarly melas, handcart hawkers, haats they have been maintaining their variety of products for the customer in the state of Maharashtra.

Organized and Unorganized (Traditional) Retail

The total retail sector in India can be divided into organized and unorganized sectors. The trading activities undertaken by licensed retailers are categorized as organized retailing. Licensed retailers are those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganized retail or traditional retail on the other hand, include a large number of small retailers that consists of local kirana shops, owner-manned general stores, chemists, footwear shops, apparel shops, paan and beedi (local betel leaf and tobacco) shops, hand-cart hawkers, pavement vendors and other taxes[9].The figures regarding relative shares of organized and traditional retail in total retail for few countries are presented in Table 5.1.As shown in the Table, the share of organized retail is very high in US (85 percent). In Taiwan also it is more than eighty percent. India is far behind so far as organized retail is concerned. In India the share of organized retail is currently eight percent[4].

Table 4.1: Relative Share of Organized and Traditional retail in Selected Countries, 2009.[5]

Sr. No.	Country	Total Retail Sales (US$ bn)	Share of Organized Retail	Share of Traditional Retail*
01.	USA	2983	85	15
02.	Japan	1182	66	34
03.	China	785	20	80
04.	United Kingdom	475	80	20
05.	France	436	80	20

06.	Germany	421	80	20
07.	India	322	4	96
08.	Brazil	284	36	64
09.	Russia	276	33	67
10.	Korea (South)	201	15	85
11.	Indonesia	150	30	70
12.	Poland	120	20	80
13.	Thailand	68	40	60
14.	Pakistan	67	1	99
15.	Argentina	53	40	60
16.	Philippines	51	35	65
17.	Malaysia	34	55	45
18.	Czech Republic	34	30	70
19.	Vietnam	26	22	78
20.	Hungary	24	30	70

(Source: Girish K. Nair and Harish K Nair (2011)

The above table depicts that the Indian retail sector is highly fragmented. More than ninety per cent of its business is being run by the unorganized retailers like the traditional family run stores and corner stores. The organized retail in India is at a very nascent stage. However, in order to increase its share in total retail, attempts are being made so as to bring in a huge opportunity for prospective new players. India's retail sector is heading towards modernization. New formats such as departmental stores, supermarkets and specialty stores, Westernized malls are fast appearing in metros and tier-II cities[6].

Objective of the study:
1.   To study the significance of shopping malls and super markets in retailing.
2.   To know the consumer behavior and buying habits of customers towards traditional retailing and shopping mall system.
3.   To know the problem behind the traditional retailing and mall culture.

Research Methodology
Collection of data:
The studies depend upon primary and secondary data. These data given following:

a.   Primary data:
Data is collected through structured questionnaire; some of the data is collected through interviews on visits and personal observation from selected respondents.

b.   Secondary data:
The data is collected from journals, bulletins, books, newspapers, annual reports of malls, editing articles and related websites.

c.   Selection of Samples:
Determining sample size is a very important issue because if the sample data is too large it may waste time, sources and money, while samples that are too small may lead to inaccurate results. The sample size is more important that why 10% from unorganized & 10% from organized retailing In Maharashtra state are deliberately selected for study by the help of simple random method.

Findings:
1. Most of the respondents from traditional outlets that is 78% strongly agree to the fact that generally traditional retailer are preferred due to their easy and approachable availability. In addition 12% of the respondents agree to it, 5% are with neutral response 3% of them disagree to it where as 2% strongly

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disagree. Here it can be interpreted that the customer are satisfied with the easy availability of traditional retailers. The result highlights that the respondents from modern outlets strongly agree that the availability of traditional retailer is one the prime factor for the customer's preference to them. (Refer table no. 1)

Table: 1. Satisfaction of respondents from traditional outlets to the easy and convenient availability.

	Responses from Traditional outlets		Responses from Modern outlets	
	Frequency	**%**	**Frequency**	**%**
Strongly Agree	156	78	190	95
Agree	24	12	6	3
Neutral	10	5	4	2
Disagree	6	3	0	0
Strongly Disagree	4	2	0	0
Total	**200**	**100**	**200**	**100**

(Source: Field Survey.)

The table indicates that majority of the respondents from traditional outlets that is 78% strongly agree to the fact that generally traditional retailer are preferred due to their easy and approachable availability.

Figure: 1. Satisfaction of respondents from traditional outlets to the easy and convenient availability of traditional outlet.
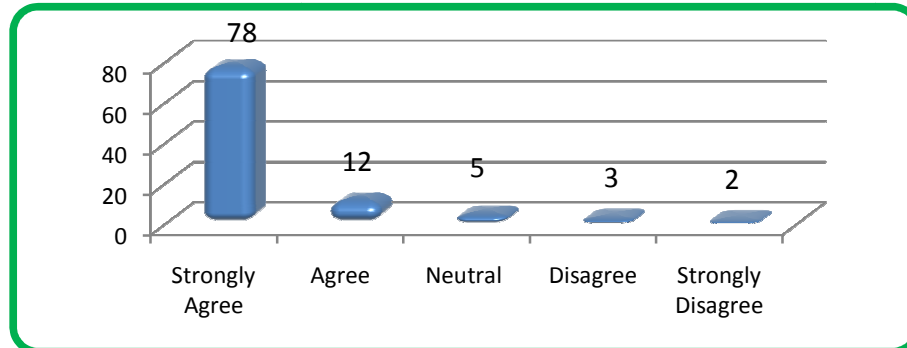
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Conclusion:

India retail industry is expanding itself most aggressively; as result a great demand for real estate is being created. Indian retailer preferred means of expansion is to expand to other regions and to increase the number of their outlets in a city. In the Indian retailing industry, food is the most dominating sector and is growing at a rate of 9% annually. The branded food industry is trying to enter the India retail industry and convert Indian consumers to branded food. Since at present 60% of the Indian grocery basket consists of non-branded items, India retail industry is progressing well and for this to continue retailers as well as the Indian government will have to make a combined effort.

This can be concluded that the modern retail formats and traditional retail formats are modifying their status in the mind of consumers by adapting to the needs.

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