

# Impact of Structural Transformation of Retail Sector on Organized Retailers

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## Abstract

As far as incoming of liberal FDI approach, there were appearances of new dimensions of organized retail sector emerging in the Indian economy. The present study has been mainly focused on departmental stores. In this study, the primary data was collected from departmental retailers of Jammu district. A period of ten years was selected for the purpose of the study. It reflects the whole scenario of current and previous period of organized retailers. Life Style India was the first departmental store established in Chennai in 1999. Approximately, there are more than 65 big departmental stores in Jammu city. Talking about easy market access, government has planned for new industrial expansion in the erstwhile state of Jammu and Kashmir (J&K). More and more outlets have been opened in Jammu due to increased domestic demand for these big stores. Customers drive the organized departmental store towards expansion due to rise in urbanization, increase in income and growing purchasing power, change in life style, growth of nuclear families, working women participation, increase in the standard of living, etc. Due to arrival of big giant chains, customers are forwarding towards them, which ultimately lead to decline in the sale of small stores. But they do not feel depressed and start repairing and redefining themselves.

**Keywords:** structural transformation, retail sector, organized retailers, Jammu and Kashmir, Jammu city.

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## I. Introduction

### Departmental Retailers

The Indian retail structure has been transformed due to entry of big modern retailers in the appearance of huge shopping centers and complexes as well as multistoried malls. New dimensions of organized retail sector emerged in our economy due to liberal FDI approach. FDI brings decent prices for customers, modernization of farm sector and also saved farmers from middlemen exploitation. Different segments have been incorporated in the organized sector where everything is available under one umbrella like leisure and entertainment, movies, kids' section, gossip corners, restaurants, catering services, food and grocery, consumer durables, clothing and textiles, jewelry and watches, footwear, fashion and accessories, telecom, furniture, books, mobiles and gifts etc. (Kusuma, Prasad and Rao, 2013)<sup>1</sup>.

In the European countries, the departmental stores were established during the 19<sup>th</sup> century. In 1852, the first departmental store named BON MARCHE was established in France. Life style India was the first departmental store established in Chennai in 1999. Moreover, in March 2006, large departmental stores were opened in Chennai. Products like handbags, beauty products, apparel, fashion accessories for men and women and footwear's were the major inventories of Life Style India (Wikipedia, n.d.)<sup>2</sup>. In 2006, there were about 26 new malls established in Metros, adding 7.1 million sq. of retail space (Shodhganga, n.d.)<sup>3</sup>.

In context with the growth rate of big giant retail chains, it was found to be 3.5 percent annually. It was found that textile sector was the first attempted sector, whereas titan has launched retail showrooms at the later stage in the organized sector. Reliance had initially opened store in Hyderabad. Reliance and Pantaloon both were the famous entrants in the retail sector having more than 450 stores across the country. Talking about tenth report of Global Retail Development Index or (GRDI), India is positioned at 4<sup>th</sup> spot in GRDI according to AT Kearney. As far as the retail sector of India is concerned, big organized sector grew at the rate of 8 percent, expected to grow 10 percent and would ultimately reach 20 percent by the end of 2020. While talking about the unorganized or traditional retail market, it accounted for the remaining 92 percent (Kusuma, Prasad and Rao, 2013)<sup>4</sup>. With reference to the share of big retailers in 2006, it was 6 percent in India, 20 percent in China and 33 percent in Russia, respectively. In context with the developed nations, the share of big organized supermarket chains was 80 percent in UK, 85 percent in US and 66 percent in Japan, respectively (shodhganga, n.d.)<sup>5</sup>.

In 2007, Raipur became the first player in the opening of the malls followed by many other malls like Color Malls, Ambuja City Centre, Millenium Plaza, R.K. Mall, Megneto, Dominos, etc., came into existence in the later years in 2011. Many brands like Easy day, Shoppers Stop, Wrangler, D Mart, Habib's, Spencer, Glitz,

Pizza Hut, Nike, Globus, PVR, KFC, Domino’s Pizza, Fabindia, Inox, etc., came into existence with these projects. Bharti enterprises and Walmart stores formed a Joint venture called as best price modern wholesale. In 2011, they opened first cash and carry wholesale store. Talking about Lucknow, the city was developing faster like Mumbai and Delhi. As equated with various other cities, the city of Lucknow displays healthier performance of malls, whereas more and more modern retail formats had also been opened (Dua and Verma, 2013)<sup>6</sup>.

Departmental store is well-defined as an outlet which comprises of numeral subdivisions in one parallel construction as an enormous retail association under centralized control. It is a branch occupied with goods from a ‘needle to a car’. Number of services like credit facilities, digital payment facilities, replacement of disliked goods, trial room facilities, better display of products through dummies, hangers and corners, good ambience facilities, number of counters, free home deliveries, branded products, parking facilities etc. offered by departmental stores (Chand, n.d.)<sup>7</sup>.

In context with Jammu city, approximately there were more than 65 big departmental stores. Talking about Vishal Mart stores, there were approximately 120 stores in the previous period (ten years ago) whereas there were 260 stores in the current period in India. Vishal mart stores had their head office in Gurgaon. In India, they are more than 650 brands. Air Plaza retail holding Pvt. Ltd. was the main organization that opened these stores. It was found that in the previous period (ten years ago), there were only 2 Vishal Marts, whereas in the current period, there were 3 marts in Jammu city. Two biggest stores that show the nature of ‘no profit and no loss’ were Big Bazaar and Best Price in Jammu city. Per year sale in Big Bazaar goes up to 50 crores in Jammu city. Only one Big Bazaar store was there in Jammu city, whereas there were 256 stores in India. Talking about Best price store, it was US based MNC company having 21 stores in India, whereas only one store in Akhnoor. Best Price was only for business-to-business purposes and only opened for member customers. The store was not available for business to customers. Only customers having business licenses signed agreement with them. In context with Vishal Mega Mart, there were 220 of them in India. Previously, there was only 1 Vishal Mega Mart, whereas, there were 3 Vishal Mega Marts in the current period. Talking about D Marts, there was only 1 D Mart in the previous period, whereas there were 4 D Marts in the current period. It was also found that there were about 500 Easy Day stores in India. As far as Jammu city is concerned, there were only 4 easy day stores in the previous period whereas there were 15 easy day stores in the current period (Primary data survey, 2017-18)<sup>8</sup>.

**Objective**

To study the impact of structural transformation on organized retailers.

**Hypothesis**

Organized retailers benefit from structural transformation.

**II. Research Methodology**

In the present study, the primary data were collected from departmental retailers of Jammu district. Data had been collected from 30 departmental stores in which no particular area was taken. The time period was selected from 2008 to 2018 i.e., a period for ten years. It reflects the whole scenario of current and previous periods of organized retailers as the data was collected for 10 years back and current time. Personal interviews were conducted through a well-designed questionnaire. Tabulation and simple percentage method were used during the interpretation of data. Chi square test was employed to test the hypothesis.

**Data Interpretation**

Sno.	Name of the store	No. of Stores	Year of Establishment
1	Alpha	1	2007
2	Ambika	1	2002
3	Ambika	1	2015
4	Best price	1	2011
5	Big Bazaar	1	2016
6	D mart	1	2014
7	Easy day	1	2010
8	Easy day	1	2011
9	Easy day	1	2012

10	Easy day	2	2017
11	Easy day	2	2018
12	Mahajan Super Shoppee	1	2016
13	Modern Super Shoppee	1	2014
14	Monik super shoppee	1	1980
15	Nexuses	1	1998
16	Rajinder departmental store	1	1971
17	Rich' s	1	2007
18	S.V. Brothers	1	2000
19	Saughat	1	2002
20	Shubham Super Shoppee	1	2002
21	Tawi Super Shoppee	1	2004
22	Vermani departmental store	1	1960
23	Vermani departmental store	1	2010
24	Vinay Jain & Brothers	1	1994
25	Vishal Mart	1	2011
26	Vishal Mart	1	2015
27	Vishal Mega Mart	1	2007
28	Vishal Mega Mart	1	2008
Total-		30	

Source: Field Survey.

In context with the year of establishment of departmental retailers, 43.3 per cent stores were established before 2008 and 56.6 per cent stores were established after 2008 in Jammu city. In table 1, name, number and year of establishment of stores had been enclosed. In 2007, Alpha store was established. Talking about years like 2002 and 2015, two Ambika stores were established. While talking about two big stores in Jammu, Best Price was established in 2011 and Big Bazaar was established in 2016. In 2014, D-mart was established. As well as the Easy Day stores, seven easy day stores were established. One Easy Day each was established in 2010, 2011 and 2012, respectively. Two Easy Day stores each were established in 2017 and 2018, respectively. Talking about Super Shoppee's, Monika Super Shoppee was established in 1980, Mahajan Super Shoppee was established in 2016, Shubham Super Shoppee was established in 2002, Tawi Super Shoppee was established in 2004 and Modern Super Shoppee was established in 2014. Rich's was established in 2007. Nexuses was established in 1998. Rajinder departmental store was established in 1971. Vinay Jain and Brothers was established in 1994. S.V. Brothers was established in 2000. Saughat was established in 2002. As far as the Vishal Mart's were concerned, two Vishal Mart's were established in 2011 and 2015 and two Vishal Mega Mart's were established in 2007 and 2008 respectively. Vermani Departmental store was the first departmental store established in 1960 and another branch of Vermani's were established in 2010.

<b>2. Year of Establishment of the Stores.</b>		
Particulars	No. of Stores	%age
	Established	
1960-1970	1	3.3
1971-1980	2	6.6
1981-1990	-	-
1991-2000	3	10.0
2001-2010	10	33.3
2011-2020	14	46.6

Total-	30	100
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Source: Field Survey.

In table 2, amongst total number of departmental stores, 3.3 per cent stores were established in 1960-70, 6.6 per cent stores were established in 1971-80, 10.0 per cent stores were established in 1991-2000, 33.3 per cent stores were established in 2001-10 and 46.6 per cent stores were established in 2011-2020.

<b>3. Geographical Position of Retailers Locality.</b>				
Particulars	Retailer's Response			
	Previous (10 years ago)	%age	Current	%age
1. Akhnoor	0	0	1	3.3
2. Bakshi Nagar	1	3.3	1	3.3
3. Channi	4	13.3	5	16.6
4. Gandhi Nagar	3	10	3	10
5. Greater kailash	0	0	1	3.3
6. Janipur	2	6.6	4	13.3
7. Jewel chowk	0	0	1	3.3
8. Kunjwani	1	3.3	2	6.6
9. Nanak Nagar	2	6.6	3	10
10. None	16	53.3	0	0
11. Panama chowk	0	0	1	3.3
12. Rehari	0	0	1	3.3
13. Shastri Nagar	1	3.3	4	13.3
14. Talab Tillo	0	0	1	3.3
15. Trikuta Nagar	0	0	2	6.6
Total-	30	100	30	100

Source: Field Survey.

In context with geographical position of departmental retailers in table 3, no departmental stores were established in areas like Akhnoor, Greater Kailash, Jewel Chowk, Panama Chowk, Rehari, Talab Tillo and Trikuta Nagar in the previous period. Talking about current time period, 6.6 per cent of the departmental stores were established in Trikuta Nagar, whereas 3.3 per cent stores were established in the above areas. Talking about areas like Bakshi Nagar, Kunjwani and Shastri Nagar, 3.3 per cent of the departmental stores were established in the previous period, whereas, 3.3 per cent stores were established in Bakshi Nagar, 6.6 per cent stores were established in Kunjwani and 13.3 per cent stores were established in Shastri Nagar in the current period. As far as Janipur and Nanak Nagar are concerned, 6.6 per cent of the departmental stores were established in the previous period, whereas 13.3 per cent stores were established in Janipur and 10 per cent stores were established in Nanak Nagar in the current period. With reference to stores in Gandhi Nagar, 10 per cent stores were established in both the periods. Talking about Channi area, 13.3 per cent stores were established in the previous period and 16.6 per cent stores were established in the current period. It was also observed that 53.33 per cent of the departmental retailers did not reply anything.

With reference to easy market access, government had planned for new industrial expansion in the erstwhile state of J&K. Talking about these departmental stores, more and more outlets were opened in Jammu due to the increased domestic demand for these big stores. Moreover, shoppers also become habitual for these big stores as everything is accessible under one umbrella. Customers drive the organized departmental store towards expansion due to rise in urbanization, increase in income and growing purchasing power, change in life style, growth of nuclear families, working women participation, increase in the standard of living, etc. Customers purchase items at least for one month, which ultimately results in higher consumption of household items in big stores. In the current period, big units started doing lot of hard work by closing their small units and convert them into big supermarket chains. As customers have become brand conscious, retail industry has been

rising faster due to entry of international brands throughout the last couple of years. Indian retail sector also offers affordable merchandise, which suits the middle-class in India.

4. Income of the Departmental Retailers.		
Particulars	No. of Retailers in Particular	
In (Rs.)	Income Range	%age
1)Below 10000	-	-
2)10000-50000	-	-
3)50000-1lac	1	3.3
4)1lac-2.5lac	12	40.0
5)Above 2.5lac	17	56.6
Total-	30	100

Source: Field Survey.

In table 4, income of departmental retailers has been enclosed. Amongst total number of retailers, 3.3 per cent retailers were falling in the income range of Rs.50000-Rs.1lac, 40.0 per cent retailers were falling in the income range of Rs.1lac-Rs.2.5lac and 56.6 per cent retailers were falling in the income range of above Rs. 2.5lac.

5. Trend of Sale.				
Particulars	Previous (10 years ago)	%age	Current	%age
1. Declining	-	-	2	6.6
2.Normal	9	30.0	3	10.0
3.Increasing	5	16.6	25	83.3
4.None	16	53.3	-	-
Total-	30	100	30	100

Source: Field Survey.

Table 5 shows the trend of sale at present. Talking about declining trend of sale, amongst the total number of departmental retailers, 6.6 per cent retailers belonged to the current period. It was observed that there was a decline in the sale of the retailers, when more incentives and new marketing strategies with reasonable prices were offered by other competitors to their customers.

In context with normal trend of sale, 30.0 per cent retailers belonged to the previous period, whereas 10.0 per cent retailers belonged to the current period. As far as the normal trend, 66.6 per cent decrease in the sale was found in the current period. It was observed that this decrease in normal trend was due to increasing trend preferred by maximum customers. Moreover, sale of big departmental stores also got affected due to increasing trend of online sales as well as poor communication between marketing and merchandizing teams in the past few years. That is why departmental stores offered branded products at cheaper rate. They started selling more products by offering more discounts. It was found that when the customers were unable to find the items of their own choice or when the price of sensitive products were changed by the retailer, then it also decreases their sale.

With reference to increasing trend of sale, 16.6 per cent retailers belonged to the previous period, whereas 83.3 per cent retailers were falling in the current period. As far as increasing trend of sale, there was about 80 per cent increase in sale in the current period as compared to previous one. It was observed that departmental store offered adulteration-free commodities. Moreover, price discrimination was not found in big stores, whereas low- income groups also favored these stores due to discounts, coupons and cheaper commodities. There was also increase in consumer preferences due to their strong advertising tendencies. Customers sometimes become out of budget and induced to buy more and more commodities displayed in front of him. Bulk purchases as well as quality assurances offered by these big giant chains. Trained personals, specialists and trained staff members with expert's knowledge were only employed as they know how to increase profit margin and sales.

<b>6. Online Shopping Reduces Retailer's Sales.</b>				
Particulars	Retailer's Response			
	Previous (10 years ago)	%age	Current	%age
1.Yes	-	-	11	36.6
2.No	14	46.6	19	63.3
3. None	16	53.3	-	-
Total-	30	100	30	100

Source: Field Survey.

Table 6 emphasized that amongst the total number of retailers, 36.6 per cent of the retailers believed that online shopping reduced their sale in the current period.

It was observed that online shopping was cheaper and offered with more option to customers. There is no need to stand in long queues for billing as well as search of parking areas. Online sites like Amazon, Big Basket and other e-commerce sites were winning in capturing more market share as compared to big stores. Customers compare the price at different sites and purchase the cheapest one. They could choose the items of their own choice at any time due to availability of internet. E-commerce also allowed their users to choose their best seller.

In context with online shopping, it did not reduce retailer's sale, there was about 26.3 per cent increase in the current period as compared to previous period.

It was found that customers would be irritated during slow network when payment cuts immediately as this was not happening in departmental store. It was found that customers could touch or feel the item, whereas they could also check the authenticity and originality of the product in departmental stores. Good quality assurances were offered by these big stores. On the other hand, the quality of product was not up to the mark while doing online shopping. Customers had to trust only the pictures, whereas customers were unaware about what they were exactly buying during online shopping. When the item reached to the final consumer, it may vary in its real sense in terms of quality, size and color, etc. Sometimes, the item delivered was also damaged, whereas customer was not sure that the product would reach on time or not. Customers were unaware about the hidden charges as when the product reached to the final customer, its delivery charges would be higher. This was not happened in departmental stores. It was also found that online shopping takes at least 7 to 8 days to reach the product to the final customer, whereas items purchased from big store were immediately transferred to their customers. Moreover, 53.3 per cent of the retailers did not reply anything in the previous period and no replies were found in the current period.

<b>7. Decline in Sales of Small Shops due to Mall Culture.</b>				
Particulars	Retailer's Response			
	Previous (10 years ago)	%age	Current	%age
1.Yes	-	-	19	63.3
2.No	30	100	11	36.6
Total	30	100	30	100

Source: Field Survey.

Table 7 analyzed that amongst the total number of retailers, 63.3 per cent of the retailers believed that sales decline in small shops due to mall culture in the current period.

It was found that in big malls, everything was available under one umbrella and full freedom for customers to choose any products as well as brand. Big departmental stores offered strong advertising tendencies as well as large variety of merchandise. There was no price discrimination in big stores, whereas price discrimination as well as bargaining occurs at small stores. Low- income customers also prefer big stores due to cheaper commodities, discounts, coupons and reasonable prices available there. Quality assurances and bulk purchases were offered by big stores, whereas quality was not up to the mark or may be inferior in small traditional stores. Due to rise in income, there was a change in the life style, spending pattern, growth of nuclear families, working women participation, increase in the standard of living, etc. Therefore, due to arrival of big giant chains, customers were forwarding towards them, which ultimately led to decline in the sale of small stores. It was found that ten years ago, there was a smaller number of departmental stores due to which demand was high for small stores as no decline was seen in their sales. Therefore, sales of these mom-and-pop stores

were not affected. But now, due to the increase in the number of big stores, sales of small shops were affected a lot.

On the other hand, amongst the total number of retailers, 100 per cent of the retailers in the previous period and 36.7 per cent of the retailers in the current period agreed that sales did not decline in small shops due to mall culture.

It was found that small retailers start repairing and redefining themselves. They build up their advanced marketing strategies and business practices as they modernizing their stores by using new technologies like debit card and credit card machines. They had their own customers base due to customers good will, as they were well established and popular in their particular society.

<b>8. Retailer's offering Home Delivery Facility to Customers.</b>				
Particulars	Retailer's Response			
	Previous (10 years ago)	%age	Current	%age
1.Yes	6	20.0	18	60.0
2.No	8	26.6	12	40.0
3.None	16	53.3	0	0
Total-	30	100	30	100

Source: Field Survey.

In table 8 while talking about home deliveries to their customers, there was about 66.6 per cent increase in the home deliveries in the current period as compared to the previous period in case of big departmental retailers.

While talking about food as well as non-food items, big departmental stores charged for home deliveries. If the buyers purchased items for Rs.500 to Rs. 1000, then only the purchased items would get delivered at their door step. Generally, home deliveries as well as extra discount of 10 percent are offered to club members only in many stores. Member customers were also given the facility of order now and pay later option. Retailers sent the orders from their distribution center as the stocks were hoarded there for home deliveries. In order to raise their sales, profit margins as well as to gain customer loyalty, these big giant chains opted for home deliveries. They generally offered home deliveries to those customers who were old and sick and those who did not have time due to heavy loads of work. So, they would just call up the departmental store and the items would get delivered at their door step.

In context with retailers who did not offer home deliveries, there was 33.3 per cent increase in the responses of those retailers in the current period.

It was observed that there were number of sites like Big Basket, Amazon, Snap deal, etc. from where many online items were ordered by number of customers. That is why, only small number of shoppers selected departmental stores for home deliveries. On the other hand, online shopping delivery was cheaper as compared to deliveries from big giant departmental stores. Moreover, extra staff was required to deliver items from door to door. Due to this, big stores have to charge extra expenses from their customers in order to pay salary to delivery boys. On the other hand, if the retailer started offering salary from his own profit, then they face loses always. Therefore, due to these reasons, some retailers do not offer homedeliveries. Moreover, 16 retailers did not reply anything in the previous period and no replies found in the current period.

<b>9. Retailer's offering Vehicle Parking Facility to Customers.</b>				
Particulars	Retailer's Response			
	Previous (10 years ago)	%age	Current	%age
1.Yes	3	10.0	18	60.0
2.No	11	36.6	12	40.0
3.None	16	53.3	0	0
Total-	30	100	30	100

Source: Field Survey.

In Table 9 while talking about parking facilities, there was about 83.3 per cent increase in the parking facilities in the current period as compared to the previous period in case of big departmental stores. It was observed that customers do not bother about their vehicles while shopping in big stores as they offer dedicated

parking facilities to them. Big stores also maintain proper terms and conditions that if the bill was more than Rs. 1000, then the customers get free of cost parking facilities. Discounts were only provided to the regular as well as member customers. They also arrange VIP parking lots for VIP shoppers. Different parking areas were also spared for employees. It was observed that rise in the number of customers also raises number of vehicles, which ultimately raised demand for more space for parking, as only big stores offer more space. It was analyzed that number of stores were limited ten years ago, that is why parking spaces were also limited.

Taking about big retailers who did not offer parking facilities, there was 8.3 per cent increase in the responses of those retailers in the current period. It was found that many departmental stores like Mahajan super shopee, Vermanies, Monika Super Shoppee, Easy Day, Ambika Store, Alpha, etc., did not offer any kind of parking facility to their customers. That means, only some stores offer parking facilities, not all. On the other hand, due to change in life styles, growing urbanization, working women participation, rise in the standard of living etc. many customers are able to afford four wheelers. Due to this, large space for parking was needed, otherwise it created transportation problems due to blockage of roads in front of malls. Moreover, 16 retailers did not reply anything in the previous period and no replies found in the current period.

<b>10. Retailer's offering Seasonal Discounts on Products.</b>				
Particulars	Retailer's Response			
	Previous (10 years ago)	%age	Current	%age
1)10 to 30 per cent	7	23.3	12	40.0
2)31 to 40 per cent	0	0	1	3.3
3)Up to 50 per cent or above	1	3.3	9	30.0
4)None	6	20.0	5	16.6
5)Vary from product to product	0	0	3	10.0
6)No store	16	53.3	0	0
Total-	30	100	30	100

Source: Field Survey.

Table 10 emphasized that amongst total number of retailers, there was about 41.6 per cent increase in the seasonal discount of 10 to 30 per cent in the current period as compared to previous one.

It was observed that big retailers brought products in large quantities from manufacturing units which they usually sold to their customers. They did not pay any payments to intermediaries whereas no commissions were incurred which ultimately raise their profit margin. It was found that large number of customers were switching towards these big stores due to huge discounts offered by them.

With reference to seasonal discount for 31 to 40 per cent, no replies originate in the previous period as many big stores were not recognized 10 years ago and one retailer replied in the current period. Moreover, there was about 88.8 per cent increase in the seasonal discount of up to 50 per cent or above in the current period as compared to previous one.

It was found that in big stores, there was increase in discount margins, i.e., 75 per cent, 70 per cent or 50 per cent due to increase in unsold stock. In Big Bazaar, retailers provide discount offers like 'Sabse Saste Char Din'. During these four days, bulk purchases occurred at big stores as all the items sold at cheaper rate. That is why maximum customers become habitual of going to big store. Products near to expiry were also sold in these days by offering 10 percent discount. Coupon cards and discount cards were offered to member as well as regular customers which ultimately gave the proof for discount offers in big store.

As far as big retailers, there was 16.6 per cent decrease in the current period who did not reply anything. In context with discount that varied from product to product, there were no replies found in the previous period and 3 retailers replied in the current period.

Big stores give offers on discounts that varied from product to product like 'Buy one get one free'- paper boat juices brand of Srilanka 'buy two get one free - if you purchase 'Coca-Cola' and 'Pepsi,' then you get Mirinda free. In case of buy one get two' free discount offers, a customer gets one shampoo and conditioner of sun-silk free of cost, while purchasing shampoo of sun silk. Furthermore, 53.3 retailers did not reply anything as they had no store in the previous period and no replies were found in the current period.



<b>11. Number of Counters for billing in Stores.</b>				
Particulars	Retailer's Response			
	Previous (10 years ago)	%age	Current	%age
1)1 to 3	13	43.3	14	46.6
2)4 to 5	0	0	10	33.3
3)6 to 7	1	3.3	1	3.3
4)8 to 10	0	0	2	6.6
5)more than 10	0	0	3	10.0
6)None	16	53.3	0	0
Tot-	30	100	30	100

Source: Field Survey.

Table 11 emphasized that amongst total number of retailers, with reference to number of counters for Billing offered by departmental retailers, there was about 7.14 per cent increase in the number of retailers who replied for 1 to 3 number of counters for billing in the current period as compared to previous one.

In context with 1 to 3 counters for billing, it brings long queues for billing which ultimately create great rush whereas it was also time consuming. Retailers do mistakes in their billing process due to increase in the loads of work. Moreover, if the customer buys more goods, then the process of billing takes longer time whereas the sale as well as profit of retailers also got affected. Both the retailers and customers remained in loss.

As far as 4 to 5 number of counters for checkout, there was no replies in the previous period as the stores were not established, and 10 retailers replied in the current period.

It was observed that ten years ago, if the customers had to wait for longer time in the store, then they became irritated and showed arrogant behavior, whereas some customers left the store and do not purchase anything from the store. On the other hand, in the current period, if quick and smooth billing process offered to the customers, then they would spend more time in the store for shopping. So, it was very necessary that big stores offered more billing counters so that long queues for billing should be removed.

While talking about 6 to 7 number of billing counters, there was no change in the replies in both the periods as only 1 departmental retailer replied for 6 to 7 number of billing counters. In the case of 8 to 10 number of billing counters, there were no replies in the previous period because the store was not established, and 2 retailers replied in the current period. As far as more than 10 numbers of billing counters, there were no replies in the previous period as there was no store and only 3 retailers replied in the current period.

It was found that big departmental stores offer multiple billing counters so that the billing process become quick and easy in the current period. Customers feel more comfortable as they had not to stand in long queues for billing. Shorter queues were the result for increase in the footfall of customers due to which sales and profit of retailers were also increased. High speed billing server were very helpful in saving time by offering automatic and rapid billing of vending of huge number of commodities. E-billing was also very helpful to stop corruption on GST. Barcode scanner was the quick billing software had been used in the current period. Moreover, 53.3 percent of the retailers did not reply anything in the previous period and no replies were found in the current period.

<b>12. Type of Tax paid by Retailers'.</b>				
Particulars	Retailer's Response			
	Previous (10 years ago)	%age	Current	%age
1)VAT	30	100	0	0
2)GST	0	0	30	100
Total-	30	100	30	100

Source: Field Survey.

Table 12 examined that amongst total number of retailers, talking about type of tax paid by departmental retailers, 100 per cent of the retailers paid VAT in the previous period, whereas 100 per cent of the retailers paid GST in the current period.

With reference to government norms, tax speckled as per the revised guidelines. Talking about the policy of Indian Government, tax was remunerated according to the policy of VAT before, 1 July 2017. It was

found that products were generally organized in a factory. The product went to the supplier, then it went to the retailer and then at last, to the consumer. In this whole process, tax was charged one by one at all stages as many other mediators also tangled in it. In the case of state governments, they had their private policy of taxes. It was found that buyers had to pay huge percentage of taxes that was executed on products. This policy of VAT had number of complications and drawbacks. Therefore, a new policy of taxes named as ‘Goods and Service Tax’ or GST was outlined by the Indian Government from 1 July, 2017. With reference to execution of GST, tax burden on retailers had been condensed, as previously they had to pay many taxes like CAT, CST, service tax, etc. In the case of GST, a solitary tax was imposed as it brought down total indirect taxes. In the current time, it become quicker and easier to transfer more goods from one state to another. GST also brought increased efficiency in supply chain, which ultimately condensed the complication of retailers. Transportation industry was also succeeded as there was reduction in the time limit while transporting goods, which eventually carried free flow of inter-state boundaries. Many retailers in the current period paid their taxes online as there was reduction in the intermediaries. Diverse percentages of tax slabs like 5 per cent, 12 per cent, 18 per cent and 28 per cent, etc., were charged by the Indian Government under GST law. Tax robbery of retailers had been detached due to implementation of GST, which finally increased the finance with the government.

**Hypotheses Testing**

Hypotheses can be discussed as under:

Null hypothesis: Organized retailers benefit from structural transformation.

Alternative hypothesis: Organized retailers do not benefit from structural transformation.

To test hypothesis, chi-squared test was employed by using the observed values depicted in table 13.

**Table 13: Observed Values with respect to Sales and Incomes of Retailers in Last 10 Years.**

Trends of Retailers’ Sales and Incomes in Last 10 Years	Observed Values of the following Factors		Total	Average of observed values
	Retailer’s Sales	Retailers’ Incomes		
Declining	2	4	6	0.1
Constant	3	4	7	0.11
Inclining	25	22	47	0.78
Total	30	30	60	

Source: Field Survey.

Expected values were calculated based on observed values, as shown in table 14.

**Table 14: Expected Values with respect to Sales and Incomes of Retailers in Last 10 Years.**

Trends of Retailers’ Sales and Incomes in Last 10 Years	Expected Values of the following Factors	
	Retailer’s Sales	Retailers’ Incomes
Declining	3	3
Constant	3.5	3.5
Inclining	23.5	23.5

Source: Authors calculation.

Given the degree of freedom of 2 and the critical value of 5.99, at 5.0 per cent level of significance, the test statistics calculated was 0.606. Null hypothesis has been accepted and alternative hypothesis has been rejected, because the calculated test statistics is less than the critical value.

**III. Suggestions**

Arrival of FDI should be very essential, which eventually brings appearance of big giant organized retailer in the Indian economy. The food supply chain turns out to be more efficient and effective due to entry of FDI. It removes intermediaries, which results in cheaper commodities available for the shoppers.

Appropriate preparations for parking facilities should be made for shoppers.

Credit schemes should be initiated by the giant retailers. Discounts, attractive offers, coupons as well as new schemes should be offered by the big organized retailers in order to fascinate customers so that their sales as well as profit-margin will be boosted.

Efforts should be made to eradicate long queues for billing through installation of multiple billing counters.

More and more malls should be opened in India so that customers will be able to enjoy their shopping under one roof.

In order to interrelate smoothly with customers, trained staff personals should be hired.

Price of the product should be according to the expectations of the customers. Organization should attempt to improve their amenities.

#### **IV. Conclusion**

It can be concluded that maximum customers were swapping towards these big giant supermarket chains. Shoppers also become habitual for these big stores as everything is accessible under one umbrella. Good quality assurances offered by these big stores. In order to raise their sales, profit margins as well as to gain customer loyalty, these big giant chains opt for home deliveries. Talking about big giant chains, if quick and smooth billing process offered to the customers, then they spend more time in the store for shopping. GST also brought increased efficiency in supply chain which ultimately condensed the complication of retailers. Tax robbery of retailers had been detached due to implementation of GST, which finally increased the finance with the government. Moreover, price discrimination was not found in big stores whereas low- income groups also favored these stores due to discounts, coupons and cheaper commodities. Talking about sales of big stores, they also got affected due to increasing trend of online sales in the past few years. That is why departmental stores offered products and brands at cheaper rate. They started selling more products by offering more discounts. It was detected that traditional retailers, those who are positioned close to these giant chains affected a lot whereas those 'mom and pop stores' that are placed adjacent to housing areas or away from these big giant chains did not suffered a lot in terms of their sale and profit margin. These small mom and pop stores do not feel depressed and started repairing and redefining themselves. They had the strengths to stand in front of big retailers to give them tough competition. They were prepared with up-to-date marketing strategies and business practices as they modernizing their stores by using new technologies like debit card and credit card machines. It was observed that hypotheses 2 has been accepted and both the retailers will coexist in the economy instead of having competition in the current period.

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