Factors Affecting the Competitiveness of Unorganised Retail Outlets in Rayalaseema Region of Andhra Pradesh

G. Somasekhar, M. Suresh Babu, Shaik Saleem and R. Madhu

Abstract

The present study was conducted on unorganised retail outlets in the major towns of Anantapur, Chittoor, Kadapa, Kurnool and Tirupati in Rayalaseema Region of Andhra Pradesh. These locations have seen significant developments with respect to retailing, both organised and unorganised retailing outlets in equal measure. However, unorganised retail outlets have their own strategies and have to regulate their operational strategies to remain competitive. Twenty-one store attributes have been extracted from previous studies which are suitable to shoppers of Rayalaseema region of Andhra Pradesh. The study found that merchandise mix, ambience, and smooth transaction and exchange are the top three factors preferred by the shoppers from the unorganised retail outlets. Thus, it can be concluded that these factors affect the competitiveness and ability to survive of unorganised retail outlets in the dynamic retail environment.

Key words: Unorganised retail outlets, Factor analysis, Store attributes, Competitiveness.

1. Introduction

Retailing in India has been growing faster than China and accounts for 35 % of GDP. According to Technopak report (2011), Indian retail market was predicted at US $ 470 billion in 2011 and is projected to grow to US $ 675 billion by 2016, with CAGR of 7.5%. Organised retail market in India was estimated at US$ 26 billion in 2011 and is projected to grow to US$ 84 billion by 2016, with CAGR of 26% for the period 2011-16. The unorganised retail market also is expected to grow from $ 495 billion to $ 729 billion during the next three years. It shows that organised retail penetration is growing faster than unorganised retail penetration. In India, there are over 12 million mom-and-pop stores (family owned Kirana stores), and they occupy around 92 percent of the retail share.

The disposable income of the middle and upper households in India went up on a regular basis in the past decade and contributed in the rapid growth of retail trade in India. The retail revolution has already brought many positive changes in the lifestyle of consumers residing in metro cities; it is slowly affecting the lifestyle of consumers in the two-tier cities and small towns too. Today there is not much differences in spending between shoppers of cities and small towns (Srivastava, 2008) due to many reasons such as higher literacy rate, high disposable income, increased awareness level through media, presence and accessibility of a variety of consumer products. Due to the emergence of modern retail systems like supermarkets and hypermarkets in India, local stores (Kirana Stores) are facing severe competition with respect to pricing strategy, quality and availability of a variety of products. Retailing in the unorganised sector aims to earn something for livelihood rather than for making huge profits. Further, the growth in organised retailing in recent years may have adversely affected unorganised retailing. Further, the recent signal of reforms by the Government to incentivize Foreign Direct Investment (FDI) in various sectors has prompted positive sentiments in organised retail but at the same time has created negative sentiments in unorganised retail outlets (Agarwal and Tyagi, 2011).

Establishments in small towns such as hypermarkets, megastores and supermarkets backed by corporates in small towns are affecting the buying pattern of the consumers, and slowly these consumers are moving towards organised retailing. In addition, organised retailers are promptly coping with changes in the buying behaviour of consumers and taking suitable measures. It is essential for unorganised retailers to understand the buying behaviour of consumers and adapt accordingly. So, it is clear that various factors influencing the shoppers' behaviour may influence competitiveness in retailing. Moreover, factors influencing buying

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behaviour of shoppers are similar for both organised and unorganised retailing. It is vital for unorganised retailers to understand the changing buying behaviour of consumers in order to be more competitive in small towns where organised retailing is in its nascent stage. In this context the present study attempts to understand shoppers' behaviour in towns like Anantapur, Chittoor, Kadapa, Kurnool and Tirupati of Rayalaseema Region of Andhra Pradesh.

2. Review of Literature

South (1980) illustrated that management of competitive advantage is possible by, identifying, developing, and taking advantage of the enclaves through which a tangible and sustainable business edge can be achieved. According to Porter (1990) competitive advantage grows from the value a firm is able to create for its buyers over and above the firm's cost of creating the product or service. Day et al. (1988) focused on the state of the advantage of competitiveness along with how the advantage was gained by successful industries in various countries based on past cases. In their view competitive advantage consists of positional and performance superiority with an outcome relative to the competition with respect to skills and resources a business deploys. These skills and resources (Barney, 1991; Lado & Wilson, 1994)bring out positional advantages like cost and differentiation, by stressing on productivity. According to Porter (1992)there are three generic competitive strategies such as, cost, differentiation and focus strategy. It is to be noted that most of the firms used generic competitive strategy to differentiate themselves from the competitor.

Fulmer et al., (1998) study reveals that the significance of developing and sustaining competitive advantage is important if competitive conditions grow ever more turbulent. McGahan & Porter, (1997) reveal that it is essential to sustain competitive advantage for longer periods across industrial contexts. A number of researchers have pointed out that sustainable competitive advantage provides a fertile domain of study to reveal the peculiarities of retail industry (Greenley & Shipley, 1995; Hawes & Crittenden, 1984). Some researchers have opined that industry-level attributes and firm-level attributes are the two best categories of determinants influencing the competitive advantage of organizations(Amit & Schoemaker, 1993; Dyer & Singh, 1998; Lado et al., 1992; Rumelt, 1991). Others highlighted the distinctive attributes of firms as distinctive competencies (Fiol, 1991; Reed & DeFillippi, 1990). Empirical studies have also found that firm attributes play a significant role in the study of competitive advantage (Amit & Schoemaker, 1993; Hansen & Wernerfelt, 1989; Hooley et al., 1998; Lado and Wilson, 1994; Rumelt, 1991).

Some of the authors reveal that location emerged as a concentric variable of competitive strategy and was extensively viewed as a significant path for firms to achieve strategic advantage, firm success and to improve financial results (Bharadwaj et al., 1993; Fernie, 1995; Shiret, 1992; Wrigley, 1994). The impact of low prices in retail can attract customers very fast than competitive retailers and it forces other retailers to change their own prices(Howe, 1992). Swinyard (1997) reveals that the in-store use of developed technologies like self-scanning devices, customer and staff touch screen appliances, intelligent trolleys and consumer smart cards are resources exploited for developing competitive advantage in retail outlets. Numerous retail companies dominate retailing, threatening the survivalof unorganised retailers (Shaw et al., 1992 & Arnold et al., 1998).If conventional unorganised retailers must continue to exist in the competitive environment, they need to identify, understand and then fulfil customers' needs more effectively than the competitors(Mishra & Dash, 2008). A study by Sinha and Banerjee (2004) analysed 43 variables on store choice behaviour in an evolving market. These variables are grouped as proximity, merchandise, ambience, service, patronized and others.

Study by Goswami and Mishra (2008) had the objective of ascertaining the differences in shopping between Kirana stores and Supermarkets. This study measured 44 variables and extracted 11 factors these were labelled as: 1. Store cleanliness, store offers and product quality; 2. Store brands, family grocery shopping and parking facilities; 3. Hedonic shopping; 4. Location; 5. Specific day shopping; 6. Multiple stores; 7. Planned shopping; 8. In-store conveniences: 9. Helpful and trustworthy salespeople; 10. Travel convenience; 11. Unplanned purchases. Oppewal & Timmermans (1997) carried out a study on 183 retailers in a European town to know the importance of self perceived image and competitive positioning for the retailers. The study revealed that average retailers think of service as the key dimension to differentiate themselves from the competitors. Price and promotion factors have theleast impact on perceived image of the stores. The study further suggested that six dimensions underlie retailer's self perceived store image such as, Price, Location, Interior, Selection, Service and Product Quality.

A study by Ramakrishnan (2010) tried to explore the competitive response of small retailers with increased competition from organised retailers in the emerging Indian economy. In his study retailers were clustered into groups on the basis of the success strategies followed. The research brings out key findings regarding strategies such as, maintaining a personal relationship with the customers, providing additional services which are valued by the customers, and assessing the impact of adopted strategies identified by the retailers. Shah (2009) focused on the importance of understanding consumer preferences as a key to success in any business organization. The study was conducted in Rajkot and Jamnagar cities in Gujarat state. Customers who visited malls and 'mom and pop stores' on a regular basis were the major respondents for the study. The study highlighted various suggestions for 'mom and pop stores' to remain competitive in the fast changing world of retail such as, they need to improve the processes; careful inventory management needs to be done to reduce losses; stores need to improve the display of goods so as to have an aesthetic appeal to the customers; and, maintain customer relationship effectively.

Chattopadhyay and colleagues (2010) described the retail sector in India as undergoing transformation due to emerging economies and fast growing markets. Their research revealed that the traditional retail stores maintain their competitiveness and remain resilient with their service mix even in the presence of organised retailers. The study also indicated that even in the presence of large retail stores in metros, customers still retain loyalty towards neighbourhood stores due to distinctive strategies like credit facility, home delivery and facility to place orders over phone.Gupta and Tandon (2013) did a study based in Jammu city with an objective to identify the factors that influence consumers to visit organised retailers and vice versa, and also issues faced by the consumers with organised and unorganised retailers. The major finding of the study was that approximately 87 percent of consumers are willing to shop with unorganised retail outlets. At the same time this format needs to find ways to retain the customers, as modern formats are being continuously established (Uusitalo, 2001).

Reforms in Foreign Direct Investment (FDI), constant improvements in supply chain and logistics, changing preferences of consumer from traditional to modern stores etc. forced the unorganised retail outlets to change their operational strategies to gain competiveness across retailing. The area of unorganised retail is an unexplored area of research.Very few studies have concentrated on store attributes and there are no studies regarding competitiveness of unorganised retailing in Rayalaseema region of Andhra Pradesh. In this context, this study is a significant contribution to the research on factors affecting the competitiveness of unorganised retail outlets in Rayalaseema region of Andhra Pradesh.

Based on the above discussion we propose the following hypotheses

H1: Region of residence and living affect the preference of shoppers for store attributes in unorganised retail outlets.

H2: Age affects the preference of shoppers towards unorganised retail outlets.

H3: Gender affects the preference of shoppers towards unorganised retail outlets.

H4: Monthly household income affects the preference of shoppers towards unorganised retail outlets.

3. Research Methodology

The study is basically descriptive in nature.Data were collected from shoppers who visited unorganised retail stores of Rayalaseema region in Andhra Pradesh. Pilot study was carried out during May 2014 and the actual survey was conducted from June 2014 to November 2014.Questions were posed relating to demographics such as age, gender, monthly household income, occupation and education, of the respondents. 21 store attributes suitable to Rayalaseema region were extracted from previous studies.These store attributes were measured on a five-point rating scale. The respondents are above 20 years of age. The study was conducted in five major towns like Anantapur, Chittoor, Kadapa, Kurnool and Tirupati. 1250 questionnaires were distributed in all, which constitute 250 questionnaires for each town 1152 questionnaires were received back and were used for analysis of data. Response rates are 87.6%, 96.4%, 94.4%, 85.6% and 96.8%, respectively. Overall response rate is 92.2%. Care has been taken to keep the response rate as high as possible. ANOVA and Factor Analysis was conducted to analyse the data (Table 1).

4. Results and Discussion

4.1 Analysis of Shoppers' Profile

Table 2 shows the demographic profile of the shoppers scattered across Rayalaseema region of Andhra Pradesh. Out of 1152 respondents surveyed, majority of the shoppers (48 percent) are of age between 30-39 years. Further, majority of the shoppers (61 percent) are male. A majority of shoppers (32.5 percent) have income between Rs. 20001 to Rs. 30000.

4.2 Shoppers' Perception Level on Store Attributes

Shoppers' perception level towards various store attributes affects competitiveness in the unorganised retail outlets in Rayalaseemaregion. 21 items were list out from previous studies and preferences of shoppers towards these items were rated usinga five-point rating scale.

Table 3 shows that most of the shoppers in Rayalaseema region give higher importance to products stocked with freshness followed by convenient store timings, fast & efficient billing, availability of variety of brands & products and Promptness in handling shopper complaints with mean scores of 4.57, 4.13, 4.04, 4.01 and 4.00 respectively. Again, it observed that most of the shoppers in the region gave lesser importance to availability of global products and loyalty program membership with mean scores of 3.28 and 3.39 respectively.

Table 4 reveals the difference in the opinion of shoppers living in five towns of Rayalaseema region for various store attributes. It is found that shoppers from Anantapur indicated preference for availability of variety of brands & products and nearness to residence attributes. Shoppers from Chittoor highly preferred product stocked with freshness. Spacious & clean environment, error-free sales transactions & records, quick handling of complaints, exchange policy, all modes of payment accepted, relationship with the store and brand imagewere highly preferred by shoppers from Kadapa. Shoppers from Kurnool preferred prompt & efficient staff. Availability of global products, availability of products in desired pack sizes, discounts & promotion schemes, fast & efficient billing, free home delivery, credit availability, error-free sales transactions & records, loyalty program membership, convenient store timings, order is taken over phone and parking facilities were preferred by shoppers from Tirupati.

Overall, shoppers from Tirupati preferred 11 attributes followed by Kadapa on 7 attributes. People of Tirupati and Kadapatowns expect more from unorganised retail outlets as compared to other towns. However, the perception of the shoppers living in these towns do not differ significantly for store attributes except loyalty program, exchange policy and order is taken over phone. Thus, regional location does not affect the store attributes preferences since for most store attributes there is no significant difference for the perception of shoppers living in these towns. But for retailers to have a competitive advantage in these regions they have to focus on all attributes except loyalty program, exchange policy and order is taken over phone.

The above mean scores reveal the shoppers' preference level based on each attribute.The factor analysis has been carried out to ascertain the bundle of attributes preferred by shoppers from unorganised retail outlets.

4.3 Factor Analysis

Factor analysis was performed on the explanatory variables with the primary goal of data reduction.

4.3.1 Explanation of the factors derived for unorganised formats

Table 5 reveals that 'smooth transaction & exchange' showed the highest degree of variance (12.525%). Hence, it was labelled as the first factor followed by the second factor was 'convenience & comfort' with second highest degree of variance (11.766), the third factor was found to be 'ambience' that displayed 10.499 % variation, the fourth factor was tagged as 'attractive promotions'at 9.999% of variance, the fifth factor was 'merchandise mix'with 9.650% variance, the sixth factor was 'value added facilities'with 8.316% variance and while the seventh factor was tagged as 'store relationship'with 6.226% variance. A value of more than 0.6 Cronbach's alpha is considered a good measure of scale of reliability (Nunnally, 1978). Table 5 indicates that for all six factors, Cronbach's alpha values were more than 0.6. In case of the seventh factor it was nearer to 0.6.

Table 6 reveals shoppers' preferences towards factors based on rankings of unorganised retail outlets.It highlights that merchandise mix was the most preferred factor with a mean score of 4.07, followed by ambience with score of 3.84, smooth transaction & exchange with score of 3.82, convenience & comfort with score of 3.79, value added facilities with score of 3.71, store relationship with score of 3.64 and attractive promotions with score of 3.63. Hence, it was observed that merchandise mix, ambience and smooth transaction & exchange were the top three factors preferred or expected by respondents from unorganised retail outlets. Thus these factors affect the competitiveness of unorganised retail outlets in Rayalaseema region and they contribute to survival inthe changing retail landscape.

Table 7 reveals that smooth transaction & exchange was the preferred factor for shoppers of age group 20-29 years, followed by shoppers of age groups 30-39, 40-49 and 50 & above years, with mean scores of 4.05, 3.92, 3.61 and 3.52 respectively. The mean scores for convenience & comfort for age groups 20-29, 30-39, 40-49 and 50 & above are 4.03, 3.72, 3.59 and 3.89 respectively, indicating that age group of 20-29 is more cautious about convenience & comfort. The age group 20-29 is more concentrated on ambience with a mean score of 3.91. Shoppers of lower age groups are more cautions towards attractive promotions in comparison to shoppers of higher age groups. The mean score for merchandise mix for age group 20-29, 30-39, 40-49 and 50 & above years are 4.34, 4.10, 4.10 and 3.67 respectively, indicating that age group of 20-29 is more cautious about merchandise mix. Value added facilities factor is more considered by the age group of 20-29 followed by 40-49, with mean scores 4.05 and 3.65respectively. is more concentrated by 40-49 age group with the mean score 3.72. Hence it is observed that lower age groups were highly concentrated on maximum factors compared to higher age groups in unorganised retail outlets in Rayalaseema region.

From Table 7 it is concluded that age influences the importance of smooth transaction & exchange, convenience & comfort and merchandise mix. Therefore, smooth transaction & exchange, convenience & comfort and merchandise mix factors are influenced by different age groups towards unorganised retail outlets in the selected region.

Table 8 reveals that female shoppers are more concentrated on all the seven factors compared to male shoppers in unorganised retail outlets in Rayalaseema region. Further the factors preferences differ significantly for smooth transaction & exchange . Therefore gender does not have much impact on preference for various factors except smooth transaction & exchange in unorganised retail outlets in Rayalaseema region.

Table 9 brings out that smooth transaction & exchange factor is highly preferred by shoppers with income above Rs 40, 000, followed by shoppers with income Rs 10,001-20,000 with the mean scores of 4.10 and 3.90 respectively. Further shoppers having income above Rs 40,000 are more cautious about the convenience & comfort, ambience and value added facilities with mean scores of 4.27, 4.35 and 3.87 respectively. Shoppers having income between Rs 20,001-30,000 look more for attractive promotions with a mean score of 3.71. Merchandise mix is highly focused by shoppers having income between Rs 10,001-20,000 with a mean score of 4.20, followed by shoppers having income between Rs 30001-40,000 with mean score of 4.10 and so on. Low income group shoppers are keen about store relationship with mean scores of 3.93 and 3.73 respectively.

From Table 9 it is seen that income influences the importance for smooth transaction & exchange, convenience & comfort and merchandise mix. Therefore, the smooth transaction & exchange, convenience & comfort and merchandise mix factors influence different income groups in unorganised retail outlets in Rayalaseema region.

Table 10 explains that smooth transaction & exchange factor is greatly preferred by shoppers with graduation followed by shoppers with post graduation, shoppers with SSC and shoppers with intermediate. Thus shoppers with UG & PG qualifications are more cautious about convenience & comfort. Shoppers with intermediate qualification highly prefer ambience and store relationshi. Attractive promotions factor is more concentrated by shoppers with under graduate qualification, with SSC qualification prefer merchandise mix and value added facilities.

It is observed that shoppers with different qualifications have given distinctive opinion for the different factors.

Table 11 reveals that smooth transaction & exchange, convenience & comfort,ambience, attractive promotions and merchandise mix factors are highly preferred by shoppers with business occupatio. Value added facilities and store relationship factors seem most significant for shoppers who are housewives. Thus it is found that occupation influences the importance for merchandise mix.

5. Limitations and Future Research

The research has some limitations such as, the data collected views of shoppers from five locations only. Future research covering more number of locations can provide better understanding and clearer picture of the shoppers in Rayalaseema region. Another limitation is that the study was based on non probability and sampling. So, the possibility of generalization of results is limited. This limitation may be addressed by the use of probability sampling in future studies.

6. Conclusions

The study was conducted in unorganised retail outlets in the major towns of Anantapur, Chittoor, Kadapa, Kurnool and Tirupati in Rayalaseema region of Andhra Pradesh. These locations have shown significant developments with respect to retailing. However, in these locations unorganised retail outlets have their own strategies; still they have to regulate their operational strategies to remain competitive.

The first objective is to examine the preference of shoppers living in different regions of Rayalaseema for store attributes in unorganised retail outlets. The study reveals that the shoppers from Anantapur prefer availability of variety of brands & products and nearness to residence attributes more. Shoppers from Chittoor highly preferred product stocked with freshness. Spacious & clean environment, error-free sales transactions & records, quick handling of complaints, exchange policy, all modes of payment accepted, relationship with the store and brand image were highly preferred by shoppers from Kadapa. Shoppers from Kurnool preferred more the factor prompt & efficient staff. Availability of global products, availability of products in desired pack sizes, discounts & promotion schemes, fast & efficient billing, free home delivery, credit availability, error-free sales transactions & records, loyalty program membership, convenient store timings, order is taken over phone and parking facilities attributes were highly preferred by shoppers from Tirupati. Overall, the shoppers from Tirupati have shown high preference for 11 attributes, followed by shoppers from Kadapa with high preference for seven attributes. It shows that people of Tirupati and Kadapa region expect more from unorganised retail outlets as compared to people from other regions.However, the perception of shoppers living in these regions do not differ significantly for all the store attributes except loyalty program, exchange policy and order is taken over phone.

The second objective is to examine various factors affecting unorganised retail stores competitiveness in Rayalaseema region of Andhra Pradesh. As a result of this research, seven factors were extracted from 21 store attributes by conducting factor analysis. These factors are in the order of smooth transaction & exchange, convenience & comfort, ambience, attractive promotions, merchandise mix, value added facilities and store relationship.This study clearly indicates that merchandise mix, ambience and smooth transaction & exchange were the top three factors preferred or expected by respondents from unorganised retail outlets in Rayalaseema region of Andhra Pradesh. The study also highlights different demographic group's influence on the seven factors. This study helps to understand the preferences of shoppers in the unorganised retail stores in the Rayalaseema region of Andhra Pradesh.

Table 1: Sample Size by Location

	Anantapur	Chittoor	Kadapa	Kurnool	Tirupati
Respondents Approached	250	250	250	250	250
Valid Responses	219	241	236	214	242

Table 2: Demographic Profile of Shoppers

Demographic Profile	Responses
Age	
20-29	204
30-39	549
40-49	188
50 and above	211
Total	**1152**
Gender	
Male	701
Female	451
Total	1152
Monthly Household Income	
Less than Rs. 10,000	134
Rs. 10,001-Rs. 20,000	330
Rs. 20,001-Rs. 30,000	374
Rs. 30,001-Rs. 40,000	199
Above Rs. 40,000	115
Total	1152
Education	
SSC	125
Intermediate	89
UG	544
PG	394
Total	1152
Occupation	
Student	18
Housewife	149
Businessman	24
Service	852
Self employed	109
Total	1152

Table 3: Shoppers' Preference Level Towards Various Attributes Inunorganised Stores

Attributes (Unorganised)	Mean	Std. Deviation
Spacious & clean environment	3.77	1.06
Products stocked with freshness	4.57	0.88
Availability of global products	3.28	1.04
Availability of products in desired pack sizes	3.96	0.95
Availability of variety of brands and products	4.01	1.06
Discounts & promotion schemes	3.97	1.03
Fast & efficient billing	4.04	1.04
Prompt& efficient staff	3.69	1.07
Free home delivery	3.75	1.15
Credit availability	3.66	1.00
Error-free sales transactions and records	3.81	1.07
Loyalty program membership	3.39	1.13
Quick handling of complaints	4.00	0.95
Exchange policy	3.59	1.11
All modes of payment accepted	3.92	1.01
Relationship with the store	3.58	1.00
Brand image	3.73	1.17
Nearness to residence	3.86	0.95
Convenient store timings	4.13	0.98
Order is taken over phone	3.55	1.05
Parkingfacilities	3.84	1.08

Table 4: ANOVA Results for Store Attributes Preferences at Five Towns in Rayalaseema Region of Andhra Pradesh

	Anantapur	Chittoor	Kadapa	Kurnool	Tirupati	Total
Spacious & clean environment	3.73	3.73	3.83	3.75	3.79	0.35
Products stocked with freshness	4.55	4.62	4.52	4.54	4.60	0.55
Availability of global products	3.21	3.23	3.36	3.20	3.40	1.80
Availability of products in desired pack sizes	3.94	3.89	3.95	3.99	4.02	0.62
Availability of variety of brands and products	4.04	3.99	4.00	4.00	4.03	0.09
Discounts & promotion schemes	3.94	3.98	3.83	3.99	4.10	2.00
Fast & efficient billing	4.02	4.04	4.03	4.02	4.07	0.09
Prompt & efficient staff	3.63	3.61	3.74	3.75	3.74	0.99
Free home delivery	3.72	3.66	3.71	3.81	3.86	1.18
Credit availability	3.58	3.62	3.64	3.64	3.82	2.10
Error-free sales transactions and records	3.82	3.75	3.88	3.83	3.80	0.46
Loyalty program membership	3.35	3.23	3.44	3.38	3.54	2.47*
Quick handling of complaints	4.00	3.95	4.05	4.00	4.02	0.38
Exchange policy	3.67	3.51	3.74	3.60	3.45	2.61*
All modes of payment accepted	3.91	3.79	3.99	3.93	3.96	1.37
Relationship with the store	3.54	3.55	3.69	3.54	3.58	1.01
Brand image	3.72	3.68	3.81	3.67	3.74	0.53
Nearness to residence	3.89	3.88	3.86	3.88	3.79	0.49
Convenient store timings	4.11	4.16	3.98	4.15	4.23	2.08
Order is taken over phone	3.51	3.42	3.56	3.57	3.71	2.45*
Parking facilities	3.80	3.78	3.78	3.85	3.96	1.22

Note : *significant at 5 % level

Table 5 : Factors Based on Store Attributes Preferences

Factors	Loading	Eigen value	% of variance	Cronbach's alpha
Factor 1: Smooth transaction & exchange		**5.732**	**12.525**	**0.715**
Fast & efficient billing	0.663			
Error free sales transactions and records	0.811			
Exchange policy	0.654			
Parking facilities	0.621			
Factor 2: Convenience & Comfort		**1.804**	**11.766**	**0.765**
Loyalty program membership	0.523			
Quick handling of complaints	0.531			
Nearness to residence	0.641			
Convenient store timings	0.791			
Order is taken over phone	0.704			
Factor 3: Ambience		**1.769**	**10.499**	**0.628**
Store spacious & clean environment	0.815			
All modes of payment accepted	0.735			
Factor 4: Attractive Promotions				
Availability of global products	0.640			
Discounts & promotion schemes	0.769	1.756	9.999	0.604
Factor 5: Merchandise mix		**1.282**	**9.650**	**0.729**
Products stocked with freshness	0.835			
Availability of products in desired pack sizes	0.743			
Availability of variety of brands and products	0.543			
Store image	0.571			
Factor 6: Value added facilities		**1.111**	**8.316**	**0.618**
Free home delivery	0.724			
Credit availability	0.648			
Factor 7: Store relationship		**1.033**	**6.226**	**0.589**
Prompt & efficient staff	0.632			
Relationship	0.810			

Table 6: Store Factor Rankings of Unorganised Retail Outlets

Factors	Overall Mean Scores	Rank
Factor 1: Smooth transaction & exchange	3.82	III
Fast & efficient billing	4.04	
Error free sales transactions and records	3.81	
Exchange policy	3.59	
Parking facilities	3.84	
Factor 2: Convenience & Comfort	3.79	IV
Loyalty program membership	3.39	
Quick handling of complaints	4.00	
Nearness to residence	3.86	
Convenient store timings	4.13	
Order is taken over phone	3.55	
Factor 3: Ambience	3.84	II
Store spacious & clean environment	3.77	
All modes of payment accepted	3.92	
Factor 4: Attractive Promotions	3.63	VII
Availability of global products	3.28	
Discounts & promotion schemes	3.97	
Factor 5: Merchandise mix	4.07	I
Products stocked with freshness	4.57	
Availability of products in desired pack sizes	3.96	
Availability of variety of brands and products	4.01	
Store image	3.73	
Factor 6: Value added facilities	3.71	V
Free home delivery	3.75	
Credit availability	3.66	
Factor 7: Store relationship	3.64	VI
Prompt & efficient staff	3.69	
Relationship	3.58	

Table 7: ANOVA Results for Shoppers'age Groups and Factors Preference

Factors /Age	20-29	30-39	40-49	50 and above	F-Value
			Mean		
Smooth transaction & exchange	4.05	3.92	3.61	3.52	5.95*
Convenience & Comfort	4.03	3.72	3.59	3.89	5.27*
Ambience	3.91	3.84	3.77	3.84	0.18
Attractive Promotions	3.93	3.63	3.45	3.45	5.26
Merchandise mix	4.34	4.10	4.10	3.67	9.62*
Value added facilities	4.05	3.62	3.65	3.64	3.76
Store relationship	3.60	3.62	3.72	3.58	1.41

Note: *significant at 5 % level

Table 8 : ANOVA Results for Shoppers' Gender Groups and Factors Preference

Factors /Gender	Male	Female	F-Value
	Mean		
Smooth transaction & exchange	3.69	4.02	17.75*
Convenience & Comfort	3.71	3.91	5.08
Ambience	3.69	4.07	18.15
Attractive Promotions	3.50	3.82	2.20
Merchandise mix	4.00	4.16	1.33
Value added facilities	3.59	3.90	8.96
Store relationship	3.52	3.82	0.92

Note: *significant at 5 % level

Table 9 : ANOVA Results for Shoppers' Income Groups and Factors Preference

Factors /Income	>10,000	10,001 to 20, 000	20,001 to 30,000	30,001 to 40,000	>40,000	F-Value
	Mean					
Smooth transaction & exchange	3.32	3.90	3.88	3.74	4.10	11.13*
Convenience & Comfort	3.45	3.63	3.89	3.78	4.27	7.95*
Ambience	3.46	3.82	3.81	3.89	4.35	5.15
Attractive Promotions	3.63	3.52	3.71	3.66	3.60	0.32
Merchandise mix	3.68	4.20	4.08	4.10	4.03	11.02*
Value added facilities	3.56	3.66	3.71	3.78	3.87	3.05
Store relationship	3.93	3.73	3.40	3.70	3.69	1.49

Note: *significant at 5 % level

Table 10 : ANOVA Results for Shoppers' Qualification Groups and Factors Preference

Factors /Qualification	SSC	Intermediate	UG	PG	F-Value
	Mean				
Smooth transaction & exchange	3.56	3.11	4.17	3.88	9.38*
Convenience & Comfort	3.47	3.69	3.84	3.84	1.82
Ambience	4.10	4.28	3.92	3.74	2.17
Attractive Promotions	3.56	3.57	3.85	3.60	0.26
Merchandise mix	4.13	3.89	3.90	4.10	1.28
Value added facilities	4.22	3.37	4.03	3.61	19.71*
Store relationship	3.42	3.96	3.75	3.62	6.19

Note: *significant at 5 % level'

Table 11: ANOVA Results for Shoppers' Occupational Groups and Factors Preference

Factors /Occupation	Student	Housewife	Business	Service	Self employed	F-Value
	Mean					
Smooth transaction & exchange	4.01	3.83	4.26	3.79	3.95	1.20
Convenience & Comfort	4.02	3.83	4.10	3.77	3.75	1.35
Ambience	3.06	4.27	4.83	3.78	3.65	2.20
Attractive Promotions	3.11	4.01	4.52	3.51	3.88	2.52
Merchandise mix	3.79	4.11	4.76	4.04	4.10	8.30*
Value added facilities	3.92	4.51	3.83	3.63	3.21	4.90
Store relationship	3.97	3.99	3.90	3.56	3.69	0.93

Note: *significant at 5 % level

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G Somasekhar earned his MBA and Ph.D from SVU, Tirupati and is associated with AITS,Tirupati. His professional interests include Retail Management and Strategic Management.

M Suresh Babu earned his M.Com, MBA and Ph.D from SVU, Tirupati and is associated with SVU, Tirupati. His professional interest includes Investment & Portfolio Management.

Shaik Saleem earned his M.Com and MBA from SVU, Tirupati and is associated with SVU, Tirupati. His professional interest includes Portfolio Management.

R Madhu earned his MBA from SVU, Tirupati and is associated with AITS, Tirupati. His professional interest includes Logistics Management.