CHAPTER V
SUMMARY, CONCLUSIONS AND MANAGERIAL IMPLICATIONS

5.1 Introduction

India's retail boom has acquired further momentum, dynamism and vibrancy with international players experimenting in the Indian market and the country's existing giants taking bold and innovative steps to woo the consumers. At the same time, the early entrants are redefining theirs strategies to stay competitive and cope with the new market landscape. The next few years are likely to witness rapid growth in the organized retail sector with several leading international players establishing their presence in India by adjusting their formats to suit local tastes and buying behavior while regional players have stepped up their defences and are striving to gain edge over global players by using their knowledge of local markets. Clearly, the next wave of the retail boom is upon us. Over the past few years, the retail sale in India is hovering around 33-35% of GDP as compared to 20% in the US (A. T. Kearney, GRDI, 2011). The Indian retail industry, comprising of organized and unorganized sectors, is one of the largest and fastest growing industries in the world. In India, though organized retail accounts for around 8% of total retail revenue, with a young population, policy reforms, rising disposable income, booming consumerism, changing life styles brought about by a robust economy, rapid urbanization, anticipated strong GDP growth and the introduction of latest technologies, India is set to emerge as one of the largest organized retail hubs in the world (IBEF, Retail: August 2013). Industry estimates point towards a 20% share of organized retail by 2020. The domestic retail market has experienced growth of 10.6% between 2010 and 2012 and is expected to increase to USD 750-850 billion by 2015 (Indian Retail Market: Opening More Doors, Deloitte, 2013).

5.2 Summary Findings

Building and sustaining store loyalty assures a retailer of continuous patronage, prolonged business, effective competitive advantage and a handy entry barrier that does not erode easily (Kaul, 2006). Loyalty also offers strong resistance to competitive messages, lower selling costs, decreased price sensitivity and favorable word-of-mouth

(Dick and Basu, 1994; Zeithaml, 2000). Store loyalty has lately become highly significant in the backdrop of the current economic downturn being observed across the world. There are several determinants and dimensions of loyalty that may be studied. A host of factors have an impact on store loyalty viz. store image, brand image, brand loyalty, variety, product quality, service quality, customer satisfaction, convenient buying, interaction quality, interpersonal relationships, credit facility, payment flexibility, passage of time, services delivered at home, price, trust, demographics etc. Majority of the consumers show signs of multiple store patronage which may differ across store types. It is extremely difficult to find loyal shoppers shopping exclusively at a single store and as such, the number of such shoppers is almost negligible (Cunningham, 1961).

The Indian retail sector topped the list of most attractive retail destination consecutively for three years from 2004 to 2007, ranked second in 2008 and ranked fourth in 2011 from among thirty emergent markets (A.T. Kearney, GRDI, 2011). The number of shopping malls is going up even in tier II and tier III cities. In the face of more and more organized players joining the retail bandwagon, survival may prove to be exceedingly difficult particularly in view of the slowing economy. Quite pertinently, Kalhan (2007) also presents the case of small retailers who are expected to bear the brunt of an escalation of unfair competition from corporate retail and FDI. In this backdrop, customer loyalty may prove to be the most effective weapon to stand against competition and ensure long term survival.

The study considered a range of store loyalty dimensions and their relative importance in recruitment and retention of customers. The findings of the study calls for more effective strategy formulation by the retailers taking into account many of the important dimensions mentioned above, and help in the long term retention of the customers and larger share of wallet. The broad objective of the study was to develop a relationship framework by considering store loyalty as the dependent variable and a set of explanatory variables such as store ambience, customer satisfaction, trustworthiness, demographics, location, social status, availability of products, attractiveness of display, perceived value for money etc. in the context of the consumers drawn from the four

metros and the other cities and towns included in the survey from different parts of the country to make the study more representative and lend it a pan-Indian character. The study covered all the existing retail store formats in the organized sector as well as the unorganized sector.

As mentioned in chapter-III, the study aimed to identify various antecedents of store loyalty and develop scales to measure these antecedents, identify important reasons· behind store patronage and assess the behavioral pattern of purchases including the share of wallet, examine and trace the store patronage behavior of customers, investigate whether the shoppers have multiple store loyalty and probe reasons behind such behavior, explore the relative influence of various facets of customer patronage behavior leading to store loyalty, integrate the findings as stated above and suggest strategies to retain customers, assess the psychometric performance of various scales by employing a range of tests employed in psychometric literature and make a comparative analysis of store patronage behavior and its antecedent variables for assessing attitude of shoppers towards organized as well as unorganized retail. Broadly speaking, the study makes an attempt at contributing to the extant literature on customer loyalty from the perspective of the retail segment.

There have been voluminous work on the subject of store loyalty but not much can be found on the issue of comparative store loyalty between the organized and the unorganized retail. Consequently there was a scope to contribute by way of considering these attributes in a new study on retail loyalty with an eye to comparative analysis between organized and the unorganized segment. For quite some times now, the Indian retail sector has been open to FDI starting with wholesale, then single brand retail and finally, multi-brand retail. Prevailing circumstances and recent shift in government policy posits that it is only a matter of time before the retail sector is fully opened to FDI, and as such, there is an aptly timed need to pursue a comparative study on the store loyalty behavior of shoppers with respect to the organized and the unorganized sector, especially in the urban context. It was surmised that the findings of this study would provide valuable insights for retailers for developing and maintaining effective customer relationship which would ensure survival and increased profitability in the long run.

They could better meet their customers' needs by ensuring the presence of the attributes that delight their customers and eliminating completely or mitigating as far as possible, the negative attributes that dissatisfy and alienate their customers. As a final point, the consumer educators, marketing and salespeople and retail professionals could get insights on how to help retailers to initiate and bring about the necessary developments in the store dimensions towards building and fostering a long-term, loyal relationship with their customers.

In phase I, a series of focus group interviews was undertaken to identify various factors that consumers consider in the process of selecting a retail store. An initial pool of relevant items was generated through focus group interviews and depth interviews, followed by an exploratory factor analysis to identify the underlying dimensions consumers consider important based on the structure and pattern of factor loadings. After identifying the relevant attributes and dimensions of store loyalty and purification of the measurement items, the data for the study were derived from shoppers belonging to a cross section of population using a convenience sample of respondents. Convenience sampling technique was adopted due to constraints of time and other resources which made it virtually impracticable to adopt the random sampling technique. It needs to be mentioned here that convenience sampling method is not very scientific for drawing definite conclusions. However, since the objective of the study is to measure the strength and direction of different variables for predicting store loyalty behavior and no generalization is envisaged, convenience sampling technique has been adopted for the present study. The survey was done with the help of a structured questionnaire. The data were collected from the four metros and some tier I, II and III cities from all parts of the country as mentioned above. Various methods were employed to administer the questionnaire to the respondents. In addition to meeting the respondents and directly administering the questionnaire either personally or through qualified representatives, it was also emailed to them. Further, in many cases the questionnaires have also been sent through post attaching stamped self-addressed envelopes. It took almost a year,

the period beginning March 2013 to January 2014, to gather all the responses as in many cases reminders had to be sent to generate the same. Out of 1600 questionnaires administered across various locations, 454 questionnaires were obtained registering a response rate of 28.37% out of which 43 responses were rejected due to errors of omission and commission bringing down the total figure of valid responses to 411. Scale items were developed from reviewing past literature which were further refined by conducting reliability and validity tests frequently applied in marketing and psychometric research conducted in this area. Apart from employing factor analysis, multiple regression and other parametric statistical tools were also used depending on the nature of the data.

The data mainly have been collected from respondents belonging to A1A2 class of the social stratification scale as developed by Market Research Society of India (MRSI) which is mostly followed by reserchers doing research with different social classes in India, particularly by the marketing research practitioners as well as academicians. It is revealed that lower the age of the respondents, lower would be their trust for the organized store as well as the unorganized store. The plausible reason for this could be the unwillingness or lack of interest of relatively aged people to try new stores or get attracted by new features incorporated by the established ones. The same pattern is observed in case of income. The plausible reason for this could be the aversion of customers in taking risk in making purchase decisions. However, for people having income above ₹ 150,000 there is slight reversal in this trend as the trust goes down a bit. The lower and upper bounds are also within acceptable range at 95% confidence interval for mean which corroborates this observation.

5.3 Scale Reliability and Validity

To establish scale dimensionality, an exploratory factor analysis with varimax rotation was carried out initially and the five dimensions were extracted and the cumulative percentage of variance explained was quite satisfactory (>61%). The goodness of fit measured by chi square as well as by KMO and Bartlett's Test is significant beyond $p<0.000$, but the construct validity as measured by factor analysis and predictive

validity measured by multiple regression shows that the dependent variable, store loyalty, is associated with the explanatory variables considered in this study. Display, value for money and ambience, as well as money and availability, fused into a single latent dimension emerging as hybrid factor that cannot be meaningfully interpreted. Display and ambience may be clubbed as a single variable which can be labeled as attractiveness of the store, but the second hybrid factor cannot be combined into a single dimension as they are unrelated to each other. The exploratory factor analysis extracted five factor solution keeping in view the eigen value factors > 1.00 which did not match with the results expected. In view of this outcome, the number of factors had to be fixed considering the confirmatory factor analysis output with a seven factor solution. Looking at these results, a confirmatory factor analysis was conducted with seven underlying dimensions that extracted almost 70% variation in the original data set and the goodness of fit measured by KMO Barlett's Test of Sphericity was also found to be highly significant. The reliability measures were found to adequately demonstrate internal consistency of the measures employed to quantify various antecedents of store loyalty.

A preliminary sample (n=23) was selected based on convenience and the respondents were requested to give their views on the antecedent variable that influence store choice behavior. After scrutinizing the responses and their theoretical premise, the study considered six most important variables based on the responses given by a sample of respondents. To purify the variables included initially, a pilot survey was conducted using a student sample pursuing BBA program. Initially, the study included 36 items to measure seven constructs which were reduced to 21 items based on the item to total correlation as well as item to item correlation. In order to keep the questionnaire short and easy to comprehend, only three items were included in the final questionnaire, after incorporating opinion of experts.

Item to total correlation demonstrated that some items had very low correlation which prompted reduction of a few items from the store loyalty as well as ambience scale. 3 items in each category were retained based on the magnitude of correlation between each item and the total score for each category of measurement. The R^2 value and the

standard error are also quite satisfactory. The overall goodness of fit was found to be within acceptable range. The value for money and display coefficients is not found to be significant though the direction of the coefficients justify the theoretical foundation. In addition to this, a dummy variable was incorporated for representing the organized and the unorganized stores. It is revealed that the shoppers display a higher degree of store loyalty for unorganized retail compared to the organized sector.

5.4 Summary Results

The study explores the various determinants of store loyalty and their relative importance in recruitment and retention of customers. The findings of the survey provide vital inputs towards more effective strategy formulation by the retailers taking into account the various important dimensions which influence store loyalty, and help in the long term retention of the customers assuring them of continued patronage and share of wallet.

In the current study, retail shoppers from both the organized as well as the unorganized sectors were surveyed to be aware of the factors that influence satisfaction with their primary store and the encouraging factors that ensure that they continuously patronize this store regardless of being presented with an enticement to shop from some other store. The results reveal that the key factors that contribute to store loyalty and drive shoppers to stay store loyal differ between the two store types. Furthermore, there was no evidential support in the results of this study that shoppers' store satisfaction on the whole had any significant influence on their persistent patronage of the store.

The first regression analysis conducted in the study depicts the relationship among store loyalty as a dependent variable and trust, availability, ambience and satisfaction of organized sector. It was found that display and ambience as well as availability and value for money did not appear distinct. In view of this, regression analysis has been conducted with four explanatory variables as mentioned above and all the variables are found to be significant in influencing the store loyalty construct. Thus, organized retailers must consider the importance of trust, availability of wide range of brands, attractive ambience and overall satisfaction of customers. For the unorganized sector,

the relevant variables are ambience, satisfaction, value for money and gender which are found to be significantly associated with store loyalty. The gender coefficient reflects female customers who exhibit greater degree of loyalty towards a store.

Results of the multiple regression, which was conducted based on the findings of factor analysis as reported in chapter III, reveal that display and value for money are not at all significant in predicting store loyalty behavior of shoppers. It is interesting to note that shoppers are more loyal to unorganized sector. As pointed out earlier in chapter-III, the constructs ambience and display merged with a single factor indicating high degree of similarity between these two variables. Factor analysis results showed that some explanatory variables are significantly related which could distort the findings of multiple regression. To do away with the multi-collinearity problem, regression was conducted in the following section employing the factor scores to avoid any kind of multi-collinearity present in the data set. Results reveal that apart from ambience, all other explanatory variables are found to be significantly influencing store loyalty. The store type, store trust, availability of wide range of brands, overall satisfaction and attractive display, all contribute towards shoppers' loyalty for a particular store. In the entire sample it is observed that stores in the unorganized sector exhibit greater degree of loyalty since the coefficient is positive.

An attempt has also been made to classify respondents into two groups based on their preference towards organized and unorganized stores along with a few important explanatory variables, which are location, ambience, empathy and fast service. The results of binary logistic regression demonstrate that these explanatory variables may be considered to classify respondents into two groups. The regression model could classify accurately more than 89% of the sample members with a small margin of error. It was observed that the H-L Test is highly insignificant indicating goodness of fit of the model. The classification table demonstrated that almost 90% of the shoppers can be properly classified by the model. The coefficients of the logistic regression reveal that ambience is the most important variable in classifying the shoppers into two groups. Apart from that, location, empathy and fast service are much better in the unorganized retail sector.

A Binary Logistic Model was employed including a few dummy variables like location, empathy and fast service. The coefficients for the dummy variables are found to be significant indicating the importance of these variables in ensuring store loyalty. The omnibus test results demonstrate that the fit of the model is quite satisfactory. The pseudo-R square values are also on the higher side. The H-L statistic is not significant indicating goodness of fit. The classification of respondents is found to be nearly 90% which is substantially high. The variables location, empathy and fast service signify that all these three variables are important in predicting store loyalty behavior. Display is much better for stores in the organized sector which is found to be significant. In order to visualize the influence of explanatory variables for stores in the organized as well as unorganized sector, regression analysis was employed to compare the responses of individuals who mostly shop from both organized and unorganized stores. The variables location, empathy and fast service are positively associated with store loyalty indicating their relative importance in predicting the store loyalty behavior.

The H-L statistic is not significant indicating goodness of fit. The classification of respondents is found to be nearly 90% which is substantially high. In order to avoid multi-collinearity, a factor analysis of the independent variables has been conducted to identify the latent dimensions through confirmatory factor analysis. The regression was performed with the factor scores of each individual for the six latent variables which are trustworthiness of a store, perceived value for money, availability of a wide range of brands, overall satisfaction level, attractiveness of ambience and excellence in display. The results reveal that all these variables are significant. More than 30% of the variation in the store loyalty variable is explained by the factor scores of the latent dimensions influencing the dependent variable. It is quite obvious that the collinearity statistic would depict perfect values as there is no multi-collinearity in the original set of explanatory variables.

The regression was performed again for the organized sector with the factor scores of each individual for the six latent variables as mentioned above. The results substantiate the significance of all these variables. Satisfaction, although significant, does not seem to influence store loyalty to a great extent. Good ambience and attractive display are the

two factors which have the strongest impact on store loyalty. These factors are, to a large extent, instrumental in exerting a pull on customers toward the store. The pair wise correlation matrix demonstrates that the correlations are not very high for most of the variables except the following ones: ambience and value for money, availability and value for money and ambience and availability.

In a similar manner, regression was performed for the unorganized sector too, with the factor scores of each individual for the same set of six latent variables. Trust and Satisfaction seem to be the most important variables in ensuring store loyalty in the unorganized sector. These factors are, like the organized sector, instrumental in exerting a pull on customers toward the store. Display is not significant, which reveals that unorganized retailers do not have the opportunity to display their products properly owing to small size, shortage of shelf space and low scale of operation.

A hierarchical clustering program along with agglomeration schedule was used to categorize the respondents into a few possible numbers of clusters. Once the number of clusters was identified, in the subsequent stage a K-means clustering algorithm was used. In this process, the final cluster centres were attained. The final cluster centre contains the mean value for each variable in each cluster. In the subsequent paragraph the typologies of customers are summarized.

For organized retail, cluster 1 customers shop around for pleasure and amusement for which the store ambience is very important to this group of shoppers. Thus, this group of shoppers may be termed as High-End Recreational Shoppers. These shoppers are mostly executives having high disposable income and the proportional share of organized shopping is considerably high. Cluster 2 shoppers display reasonable store loyalty and are found to be value oriented. They do not consider that ambience and display of brands are very vital issues while choosing a particular store for shopping. These shoppers are price sensitive and exhibit a relatively high level of trust. This group of customers may be termed as Moderately Loyal Price Sensitive Shoppers. Shoppers belonging to cluster 3 portray modest amount of trust toward the organized retail stores and are not concerned with ambience and display of stores. However, the availability of wide variety of brands is important to this group of shoppers. They spend a substantial

proportion of their shopping budget in the unorganized retail. This group may be labeled as Variety Seeking Shoppers. Cluster 4 shoppers demonstrate a significantly low level of store loyalty. It is evident from final cluster centres that they are not much concerned about availability, display and ambience. Even this group of shoppers does not show signs of giving much importance to the satisfaction element. Quite characteristically, they can be termed as Unconcerned Shoppers. It is also revealed that shoppers belonging to this cluster spend less in the organized retail since they do not have much trust towards this format of retail.

Similar analysis was undertaken for the shoppers in the unorganized sector and it was found that cluster 1 shoppers in this group are moderately loyal to their stores but consider assortment of brands not that important a factor in choosing a store. They do not have much trust from where they shop and are sensitive to price charged by the retailers. This group may be termed as Moderately Loyal Expedient Shoppers. Cluster 2 shoppers are extremely loyal to their stores and have noticeably higher level of trust. Store ambience is a significant impelling factor. The data set further reveals that the shoppers mostly belong to A1A2 category of social class stratification. They may be termed as Trustworthy Loyal Shoppers. Shoppers belonging to cluster 3 consider availability of an extensive range of products as very important and do not display high level of loyalty towards any particular store. Store ambience is not important for them but they consider value for money a decisive factor in choosing a store. As such, this group can be designated as Smart Shoppers. On the other hand, cluster 4 shoppers are not bothered about the presence of most of the variables except for trust and loyalty. They have aversion for shopping from small stores and mostly shop from the organized stores spending more than 50% of their share of wallet. Thus, they may be labeled as Apathetic Shoppers.

5.5 Conclusion and Managerial Implications

Notwithstanding the fact that the Indian Retail is dominated by the unorganized format, this study guides through the two different retail segments presently operating in India and the patronage behavior of customers towards these segments. India is often referred as the nation of shopkeepers out of which the majority comprises small

neighborhood stores, also known as *kiranas*. According to Pandya and Bariya (2012) there are more than 12 million outlets operating in Indian, only 4% of them being larger than 500 sq ft in size. This offers a huge potential market for the organized retail companies to tap into. India's vast population comprising substantially of the middle class and its almost unexploited retail industry, are too lucrative for global retail giants to ignore (Khidir, 2011). However, the abundance of local *kirana* stores with their unassailable advantage of proximity and customer familiarity poses significant hurdle in the path of organized retail success.

This study reviewed various literature to understand the factors which affect the customer patronage behavior of various retail formats. This study tried to find the responses and patronage behavior of urban customers towards traditional as well as the modern retailers. The results reveal that all the variables included in the study are significant in at least one of the retail segments. Differences perceived by customers between the small stores and modern retailers are covered in the study to understand the influence of specific decision variables in the selection of a particular retail format. The inference is that factors like good ambience and attractive display drive a customer towards modern retailers while trust and satisfaction and the like attract customers towards small stores (Goswami and Mishra, 2009; Joseph and Soundararajan, 2009; Bandyopadhyaya and Sengupta, 2013; Singh, 2012). This understanding of the patronage behavior helps the modern retailers to strengthen the elements of their retail offerings which the customers value more. The data collected and its analyses were adequately able to provide answers for the research objectives of the study.

India has the highest retail density in the world which ensures that the customers of this country are certain to find a local retailer nearby, that too without having to incur any additional cost in product acquisition on account of conveyance charges. Thus, the attractiveness and ease of shopping at the local store are quite high. Apart from locational advantage, another factor creating patronage for *kirana* shops is more personalized services like home delivery and credit facility. The psychological advantages of being able to bargain and simultaneously also persuade the retailer to

exchange or return products are perceived to mostly exist at *kirana* shops. This happens due to customers' familiarity with the local store owner who is willing to be very flexible in extending such personalized services to his clientele. Neighborhood stores are also thought to be better on several other counts like phone-order facility, breaking bulk and lower price. *Kiranas* are also patronized by customers for being able to complete the purchase process in shorter time and the shop being accessible at extended hours. Having so many factors loaded against them, the organized stores would need some lucrative value propositions to wean away customers from the unorganized stores. Product choice happens to be the foremost value which the customers perceive very important for the modern retailers. Modern retailers will also have to ensure large merchandize assortment availability at their stores to enable urban customers fulfill their monthly requirement in one shopping trip so that they are not required to shop frequently from neighborhood *kirana* stores. This value will offset their increased cost in the buying products from the organized retailer and is expected to make hypermarkets or large supermarkets more successful in urban areas. Further, various analyses indicate that modern retail outlets have to strengthen their store-management skills to foster the customer's preference for them. Proper ambience, neat visual merchandizing, regular product availability, complimentary product layout and efficient check-out process will enhance the shopping experience for the customers. Another value-enhancer for the modern retailers can be extending value-added services (like phone-order and home delivery), goods exchange/return policy, packaging services, carry-bags, etc. Finally, an important factor which can lead to increased patronage at the modern retailers is customer relationship management (CRM) activities like loyalty bonus/discounts, special customer cards, free parking facility and so on. This study provides insights to the modern food and grocery retailers on how the urban consumers in India perceive their advantages/disadvantages, vis-à-vis traditional *kirana* stores. Organized retailers would do well to strengthen the above detailed value enhancers in their retail strategy so that they are able to overcome all the advantages and the age-old habits which still make customer patronize the traditional *kirana* stores.

The findings of this study could have significant implications for India's retailing industry. Store affect can be orchestrated by factors like store atmosphere and merchandize value equity which are amenable to control. As retailers can control a store's physical setting, for instance store atmosphere, they are able to use their resources to perk it up and achieve enhanced retail outcome (Ray and Chiagouris, 2009). To help create nice store atmosphere which catches the attention of customers, encourage them to make repeated shopping trips, expend larger share of wallet and time at the store, retailers should ensure impressive shopping experience by devoting resources in environment aesthetics in order to look different from competitors (Pine and Gilmore, 1999). Retailers need to focus on loyalty boosting strategies for engendering store loyalty like increasing merchandize value perceptions and improving store atmosphere on the whole.

Store loyal customers should be rewarded to create increased merchandize value perceptions. This can be achieved by activities like offering loyalty discounts, informing customers of savings should they choose to shop from the store, or using such tools like issuing loyalty cards, service personalization and community development among customers. Here, customer relationship management (CRM) can prove to be a very handy tool in providing augmented value for existing customers (Anić and Radas, 2006). Retailer must also strive to provide customers with comprehensive information about products and warranties (Bloemer and Ruyter, 1997) which goes to increase store merchandize value propositions. With regard to demographic factors, retailer should focus more on younger customers because 51+ years old respondents score highest in trust which progressively deteriorates as age of the respondents decrease. Retailers should thus strive to attract increasing number of younger customers in their fold by incorporating those elements that draw them towards their stores. Retailers should also make every effort to retain the loyalty of their women customers in general as findings indicate that women tend to score higher on store loyalty than men. The main business goal of any retailer should be to attain competitive edge by forging strong relationships with customers (Ray and Chiagouris, 2009). It is observed that loyalty is the foundation of long term relationship between retailers and customers which is beneficial to both (Zeithaml, Berry and Parasuraman, 1996) and it has been empirically established that

customer acquisition costs such as promotions, discounts and advertising are considerably higher than customer retention costs, such as consistent quality, service and variety (Reichheld and Teal, 1996). Thus, retailers need to emphasize on strategies which generate positive store effect and promote store loyalty in their customers by improving store atmosphere, crafting attractive layout or through emotionally appeal oriented store advertising (Ray and Chiagouris, 2009). It is essential to explore symbolic store image in customers' minds in addition to customer self-image characteristics (He and Mukherje, 2007) to help locate potentially loyal customers,. Moreover, retailers should communicate store characteristics to target customers.

5.6 Limitations and Future Scope of Study

The present study may not be generalized as it is limited to the four metros and few tier I, II and III cities and towns of India, which however is the most potent area for organized retail having the highest population density and per capita income. There is scope for further research including a larger number of cities and towns to see what strategies do traditional and modern retailers need to adopt in order to sustain and grow. It is also possible for a future researcher to conduct a study for understanding patronage behavior for any of the subcomponents of retail trade separately. It is likely that store loyalty of customers may vary across different parts of country, different stores and different store formats (*kiranas*, supermarkets, discount stores). Owing to constraints of time and other resources, it was unfeasible to adopt the random sampling technique. Instead the study covered a cross section of respondents based on a convenience sampling technique due to obvious reasons, the foremost amongst which is that the respondents in general are reluctant to provide responses on lengthy multiple choice questionnaires. Other reasons include logistic related constraints of deploying manpower in various cities and towns across India to contact the respondents and collect the data, considerable monetary resources needed to persuade the respondents to cooperate, time constraint for collection of data and so on. Further, sample was collected at one point of time; it would be worthwhile to investigate store loyalty over time in order to define dynamics in store customer patronage behavior, for instance during recession and after recession (Bloemer and Ruyter, 1997). Present study

investigates few store loyalty drivers, thus an important goal for future researchers could be to investigate other determinants of store loyalty, such as commitment, involvement, convenience, habit, time costs, perceived value of competing stores etc. As for demographic factors, it would be interesting to examine relationships between household size, customers education level and store loyalty. This would provide more complete understanding of customers' store loyalty (Ray and Chiagouris, 2009). Present study is focused on store loyalty determinants. Future research should focus also on store loyalty outcomes such as word of mouth, willingness to pay and customer share (Ray and Chiagouris, 2009). It would be useful to undertake qualitative research in order to examine characteristics associated with a specific store because customers may see specific store differently than respondents did. In terms of measurement method, it might be a good idea for future researchers to investigate store loyalty relationship with social congruity and ideal social congruity using direct measurement method instead of indirect method (Sirgy and Samli, 1985), thus asking respondents direct questions like how they perceive the congruence between their self-concepts and store image among a range of dimensions. If indirect method is used, customers probably may not understand the reason why they are asked to answer a question about themselves among many questions about store. Customer might get confused, so it is possible that he or she will not give true answers.

The Indian retail Industry is on the verge of new retail reforms that are about to unfold facilitated by FDI coming into the country. With time, the global players will be able to adapt to the different shopping behavior variables mentioned above in terms of rural and urban population across India with wider heterogeneous groups. As the study focuses on the different broad concepts of retail formats, it becomes very effective and necessary to study whether these formats are acceptable by the consumer markets. Thus it is very important to develop a customer profiling model using the demographic and sociological factors to study consumption pattern in determining retail format choice by keeping the perceived risk variables into consideration as the consumers are more apprehensive about the risk factors involved during buying. Retail players should also keep in mind that huge latent opportunity resides at the bottom of the pyramid

comprising of majority of population still residing in the smaller towns and villages of India and find out whether these consumers are willing and ready to accept the different formats and channels of retail in India by studying their purchase behavior on a continuous basis. The ideal setting would be to propose a co-existence model for both unorganized and organized retail formats in India which in turn would benefit the overall performance of different retail players. Looking at the Indian consumers, they are more inclined towards the unorganized retail format due to demographic and sociological factors like education, religious belief, type of purchase, the type of product they utilize, their daily requirement and technology in terms of the channel they select to purchase and buy. The Indian retail experience has gone beyond the traditional store and includes numerous touch points such as online stores, social networks, call centres, etc. As the inception of the FDI into the Indian markets have boosted the Indian local players to be more focused on quality and customer preferences, adequate steps should also be taken to see that the system should be developed and implemented in a way that would incorporate parameters like trust, security and data privacy which can be effectively preserved during the transaction through online format.

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