RETAIL 3.0:

A REPORT ON CUSTOMER PERCEPTION ABOUT RETAIL 3.0 CONCEPT "TATHASTU" BY FUTURE GROUP

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DECLARATION

I hereby declare, to the best of my knowledge and ability that my work on the Major Project dissertation title **"CUSTOMER PERCEPTION ABOUT RETAIL 3.0 BY FUTURE GROUP"** is a genuine research work undertaken by me under the guidance of assistant Professor Ms. Deepshree in partial fulfilment of Post-Graduation Program- during academic year 2016-18. All the data represented in this project is true& correct to the best of my knowledge & belief. This work has not been submitted for any other degree / diploma exam elsewhere.

Gursimran Deep Singh
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INSTITUTE'S CERTIFICATE

"Certified that this comprehensive project titled "CUSTOMER PERCEPTION ABOUT RETAIL 3.0 BY FUTURE GROUP" is a genuine work of Mr. Gursimran deep Singh Randhawa (Enrollment No. 2K16/MBA/21), who carried out the research under my supervision, I also certify further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

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Though I have taken efforts in this project, however, it would not have been possible without the kind support and help of many individuals and organizations. I would like to extend my sincere thanks to all of them.

I submit this report entitled **“CUSTOMER PERCEPTION ABOUT RETAIL 3.0 BY FUTURE GROUP”** with an immense sense of gratitude towards all those who have helped me in various ways in this humble endeavour.

I am taking this opportunity to express our heartiest and sincere gratitude to my guide Ms. **Deepshree** for her valuable guidance and expert advice from time to time and for providing useful suggestions throughout this work. My sincere thanks to **Dr Rajan Yadav**, HOD-MBA for his moral support and constant encouragement.

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EXECUTIVE SUMMARY

Future Group is about to launch its most ambitious project till date the Retail3.0 ‘TATHASTU’. Under this project Future Group will open about 10,000 stores in next 5 years across many cities. These stores will be opened under the banner of ‘Easyday Clubs’. Each store will be at a location that it is within 2Km of the serving customers. These will be high Tech. stores offering customized product shipping’s to its members. The members can order using different platforms like WhatsApp, Messenger, Chatbots etc. and items will be delivered to them within 30min for the retail items. The store will continuously monitor and collect date from different check points in order to predict the demand and provide the exact items as used or needed by a particular set of members at every store all the time. This greatly reduces the cost of doing business.

Through this study we are trying to know the customer perception about the Retail 3.0 and what their expectations are from new stores. A no of factors responsible to motivate them according to the literature reviews are being compared to know the most important of them all. Further the customer willingness to share the crucial information is being studied. As a lot of personal information is being gathered by the group to analyze the whole system. This information include the mobile location data to social media likes and dislikes to the customer financial information like Credit scores. All this data will help to analyze the true potential of each store but usually people are very reluctant to provide such information.

CONTENTS

CHAPTER - 1
ABOUT THE COMPANY

Future Group is India's leading business group that caters to the entire Indian consumption space. Led by Mr. Kishore Biyani, the Future Group operates through six verticals: Retail, Capital, Brands, Space, Media and Logistics.

Apart from Pantaloons Retail, the group's presence in the retail space is complemented by group companies, Indus League Clothing, which owns leading apparel brands like Indigo Nation, Scullers and Urban Yoga, and Galaxy Entertainment Limited that operates bowling Co, Sports Bar and Brew Bar ,

The group's joint venture partners include French retailer ETAM group, US-based stationary products retailer, Staples and UK-based Lee Cooper. Group Company, Planet Retail, owns and operates the franchisee of international brands like Marks & Spencer, Next, Debenhams and Guess in India. The group's Indian joint venture partners include, Manipal Healthcare, Talwalkar's, Blue Foods and Liberty Shoes.

Future Capital Holdings, the group's financial arm, focuses on asset management and consumer credit. It manages assets worth over $1 billion that are being invested in developing retail real estate and consumer-related brands and hotels. The group has launched a consumer credit and financial

Supermarket format, Future Money and soon plans to offer insurance products through a joint venture with Italian insurance major, Generali.

The group is currently developing over 50 malls and consumption centers across the country and has formed a joint venture company focusing on mall management with Singapore-based CapitaLand, one of Asia's largest property companies Future Group's vision is to, "deliver Everything, Everywhere, Every time to Every Indian Consumer in the most profitable manner." The group considers 'Indian-ness' as a core value and its corporate credo is - Rewrite rules, Retain values.

The motto of Future Group, to not to wait for the Future to unfold itself but create future scenarios in the consumer space and facilitate consumption because consumption is development. Thereby, it will effect socio-economic development for their customers, employees, shareholders, associates and Partners. Their customers will not just get what they need, but also get them where, how and when they need. They are not just posting satisfactory results, they are writing success stories.

Lines of Business

The company is present across several lines of business which have various formats (stores) operational under it. These include:

- Food - Food Bazaar, Chamosa, Spoon, Brew Bar, Sports Bar & Sports Bar Express, Cafe Bollywood.
- Fashion - Pantaloons, Central, ALL, Brand Factory, Blue Sky, Top 10, Fashion Station, Lee Cooper (JV).
- Supermarkets Big Bazaar, Easyday.
- General Merchandise - Big Bazaar, Shoe Factory, Navras, Electronics
- Bazaar, Furniture Bazaar, KB'S FAIR PRICE
- Home & Electronics - Home Town, eZone, Collection i
- E-tailing (Online Shopping) - www.futurebazaar.com
- Books & Music - Depot
- Leisure & Entertainment - Bowling Co., F123
- Wellness - Star & Sitara, Tulsi
- Telecom & IT - Gen M, M Bazaar, M-Port, ConvergeM

GROUP VISION:

Future Group shall deliver Everything, Everywhere, Every time for Every Indian Consumer in the most profitable manner.

GROUP MISSION:

- Share the vision and belief that customers and stakeholders shall be served only by creating and executing future scenarios in the consumption space leading to economic development.
- Be the trendsetters in evolving delivery formats and making consumption affordable for all customer segments – for classes and for masses.
- Shall infuse Indian brands with confidence and renewed ambition.
- Shall be efficient, cost- conscious and committed to quality in whatever they do.
- Shall ensure that positive attitude, sincerity, humility and united determination shall be the driving force to make us successful.

CORE VALUES:

- RESPECT AND HUMILITY in dealing with everyone within and outside the organisation
- FLOW by constantly learning and being inspired from the universal laws of nature
- INDIANNESS by believing in oneself and doing things the Indian way
- INTROSPECTION for continuous learning, self-development and personal excellence
- OPENNESS AND ADAPTABILITY by accepting new ideas and knowledge, and being proactive in meeting challenges emerging from changing business scenarios
- VALUING AND NURTURING RELATIONSHIPS with customers, business associates, stakeholders, communities and the society LEADERSHIP in thought and in business
- SIMPLICITY AND POSITIVITY to foster innovation, speed and imagination

FUTURE RETAIL:

During the financial year 2016-17, the Company had a total income of Rs.17098.89 Crore. The total expenditure during the financial year amounted to Rs.16730.61 Crore, thereby resulting Profit before Tax of Rs.368.28 Crore.

Having a pan India presence with 901 stores in 240 cities in India as of March 31, 2017 and total retail space of approximately 13.8 million sq. ft. for various formats of Company. As on March 31, 2017, company has 235 Big Bazaar stores, 54 Fbb stores, 7 Foodhall stores, 538 Easyday stores, 37 Home Town stores and 30 eZone stores. The retail format business is supported by various other businesses operated by Future Group companies and through Future Group companies' investments in various ventures including branded fashion, food and FMCG, insurance, warehousing and logistics, media, textiles and online retailing.

The retail formats primarily comprises of, value business and home business. In value business, formats include Big Bazaar, a hypermarket format that combines the "see - touch - feel" of Indian bazaars with the choice and convenience of modern retail; Fbb, an affordable fashion destination; Foodhall, a premium supermarket; Easyday, convenient and neighbourhood stores which offers the pre-packed vegetables and fruits to the consumers, FMCG and daily use products.

In home business, company operate Home Town, a one-shop destination for home improvement; and eZone, a consumer durable and electronics chain.

Aadhaar, India's leading rural retailing chain has a presence in more than 65 rural locations. It acts as a complete solution provider for the Indian farmer.

Pantaloons Retail India Limited

Pantaloons Retail (India) Limited is one of the leading retailers in India. Pantaloons' has revolutionized the retail fraternity. With its headquarter in Mumbai, Pantaloons operates multiple retail formats in value and lifestyle segment.

"High fashion" family department, geared toward Indian middle and upper classes. In 2005, pantaloons rolled out a new merchandise and brand communication campaign to position itself as fashion trendsetter appeal to India's youth.

Central Mall

A full-fledged mall positioned as a place for shopping, eating and enjoying consisting of many more brands other than the group itself. Central is an Indian department store chain operated by Future Lifestyle Fashion of Future Group. It competes with other department store chains such as Lifestyle, Pantaloons and Shoppers Stop. Central opened its first store in Bangalore in 2004.

As of January 2018, Central operates over 30 outlets in multiple cities in India and plans to add more stores in the upcoming years. New and existing stores are being upgraded to what it calls HD format with more premium brands and better shopping experience.

Big Bazaar

Big Bazaar hypermarket concept was started in 2001 by PRIL. It was designed to integrate elements of an Indian bazaar with recent retailing features like parking of vehicles, AC shopping environment and privilege of replacing merchandise. an Indian retail store that operates as a chain of hypermarkets, discount department stores, and grocery stores. The retail chain was founded by Kishore Biyani under his parent organisation Future Group, Big Bazaar is also the parent chain of Food Bazaar, Fashion at Big Bazaar (abbreviated as fbb) and eZone where at locations it houses all under one roof, while it is sister chain of retail outlets like Brand Factory, Home Town, Central, eZone, etc.

Founded in 2001, Big Bazaar is one of the oldest and largest hypermarkets chain of India, housing about 250+ stores in over 120 cities and towns across the country.

Food Bazaar

The first outlet of Food Bazaar opened in June 2002, within a Big Bazaar store, six month later the chain had grown to 42 outlets: 18 stand alone.

E-commerce

Futurebazaar.com, Pantaloons website has changed the e-commerce business in India. A wide range of products are made available at affordable prices. PC World has named the website as the Best Indian Website for 2007 in the Shopping category.

Food

In the food section, a lot of options are available like –

- Food Bazaar - Chain of large super markets
- Brew Bar - It's a beer bar
- Café Bollywood -It's a eateries chain which is PAN India
- Chamosa - Snack counter
- Sports Bar - A Bistro which is dedicated to the sports world

Fashion

Varieties of options are available in this section like Top 10, Central, Blue Sky, Etam, Fashion Station, Gini&Jony, Navaras and ALL.

Home & Electronics

- Furniture store called Collection i
- Electronic goods and appliances store called Electronics Bazaar
- Electronics Items store called e-zone
- Home furniture store called Furniture Bazaar
- One destination for all home needs called Home Town

Leisure & Entertainment

- A family entertainment centre called Bowling Co.
- A store offering gaming options from bowling, pool, video games to bumper cars called F 123

Wellness & Beauty

- Health Village - It's a yoga centre as well a spa
- Star & Sitara: A beauty salon for men and women
- Tulsi - Allopathic, homeopathic and ayurvedic medicinal products are provided
- Turmeric - Beauty products like colour cosmetics, fragrances, herbal and specialty skin items, hair products and bath accessories are offered.

CHAPTER - 2

RETAIL 3.0

Retail 3.0 is the term coined by Future Group chairman Mr. Kishore Biyani. Retail 3.0 is the next step in the retailing which blends the online shopping experience with the retail stores. It's a technology driven concept which provides immense opportunities to both customers as well as retailors. The customer can shop using different mediums like app, messenger or text or by physically visiting the stores. The retailors in turn collect a lot of data generated by customer movements, patterns which help them to provide the right product at right time.

The earlier retailing was based on brick and mortar model which had a huge inventory cost, the online model reduced inventory but the supply chain cost is very high. The Retail 3.0 is the answer to both the problems using both the modals simultaneously. Almost all the companies are getting into the starting phase of this with amazon greatly pushing the offline store models followed by Flipkart in India which also has plans to open its electronics stores to sell its own brands. This is high time for Future group to lead the way.

We always overestimate the change that will occur in the next two years, and underestimate the change that will occur in the next ten. Rightly said by Bill Gates the Future Group is planning for 2047, a long term vision.

For the past 30 years Future Group has shaped the consumption opportunities in India. It has shaped the organised retail in India successfully by entering and moulding the age old Traditional retail practices of India. The organised retail share is still around 9% of the total retail market of India so the opportunities of growth are tremendous. The Future group proudly holds more the 65% share in organised sector.

The biggest achievement is that more than more than 500 million people have experienced the brands of Future retail. It's the only retailor to be present in all the states of India with a presence in 255 cities. A no of new stores are coming up with the land acquisition already been done. This kind of presence and customer base continuously challenges the supply chain abilities of the Group. But these customer base also generates a large amount of data which is the crucial point of success in future. The product availability in future and to reduce the inventory this data is going to play a substantial role.

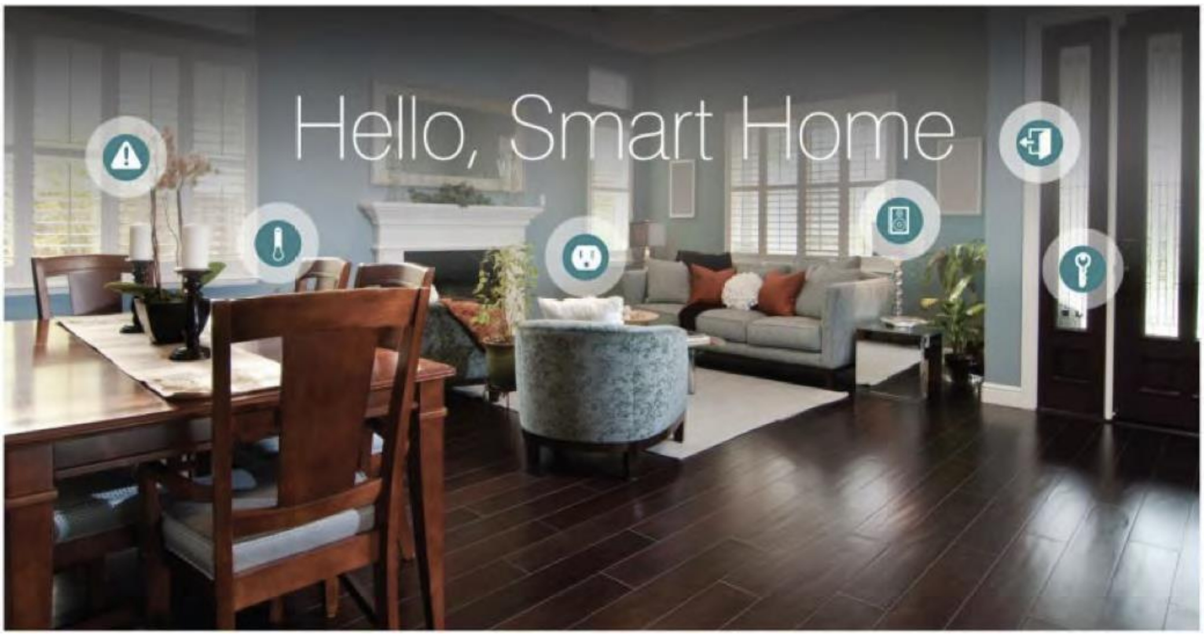
The retail outlets of Group are already so diverse that they are present within 5 km radius of 8000 pin-codes. The Group is expected to sell 30 crore units of garments alone in 2018 making it among the top 10 Global fashion houses. The group has a lot of its own private labels in all categories like

- Tasty treat in juice and biscuits,
- Nilgiri in milk products,
- Golden harvest in farm produce,
- Clean Mate in floor cleaning and washroom sanitation ,
- The Buffalo and D&J in clothing and almost in all kinds of Retail products be its coffee, bed sheets, carpets, cutlery to skincare products.

The Future Group owns all aspects of production and distribution. They produce the products, they own the brands. They own the whole supply chain for their distribution in all parts of the country. They own the retail space and network. In all a lot of data that flows through the network is also owned by the group along with the customer behaviour data. This data if used effectively will allow to lower the costs and increase the reach to max limits. This data is being used in the new concept.

There has been many changes in last few decades, the work-desk has shrunk to our palms with the advancement in communication technology information dissemination has increased million times. Earlier technology was used to overcome physical barriers to move farther and faster to reduce both time and space. And a whole bunch of achievements have been made. But now it has moved from body to mind.

Augmented reality is the greatest aspect of today's businesses. Companies are increasingly spending on giving the customer an experience of products even before buying.



The next reality is the combination of both as the physical and digital will no longer separate. It's like a technology as a layer of physical. The technologies driving the changes are: Internet of things – a concept of connecting all the appliances of daily use no matter how small or big to each other and internet to create a network which can act to ease the life to fullest. For ex as you wake up and stop the alarm, the geyser turns own and as you finish your bath the coffee starts brewing connecting all devices and also learning each day. Wearable tech is another discovery which takes care of your personal health and needs from monitoring pulse rate, sugar level and calories count to suggesting and ordering food and in future can completely replace mobile devices. Modern eyewear is also a wearable tech picking pace.

Retail- 1990 marked the introduction of modern retail in India. With the advent of future Group. It is termed as Retail 1.0 which was based on high touch type system. There were many helpers inside the store to serve the customer as they were accustomed to while shopping at traditional Retail stores where an individual use to bring all the items to the counter in the quantity demanded. This habit was changed with customers becoming more aware and choose.

2007 marked the beginning of online retail in India also called Retail 2.0. As more no of customers entered in corporate space there was less time to spend in the stores. The online medium picked up once the customers were familiar with online payment terms. These Retailors brought the products to the home of customers. The current situation being customers demanding deliveries at the earliest which is driving the supply chain costs. Also this reduced the experience of customer as the products could not play with the senses. The tech. was reduced to a small screen. Be it jewellery or clothes which were bought after a due check and trying which is a big miss for online retailers. Many companies are taking the help of augmented reality like Lenskart a company which sells eyewear lets you take a picture and try on different frames before buying but still are not that perfect to replace the offline stores.

Jack Ma in a letter to shareholders wrote

"With ecommerce itself becoming a traditional business, pure ecommerce players will soon face tremendous challenges.

We anticipate the birth of a re-imagined retail industry driven by the integration of online, offline, logistics and data across a single value-chain"

This clearly anticipate the emergence of retail 3.0 as the future of retail industry. According to Daniel Zhang, Group CEO- Alibaba "India has a great opportunity to take off. In some countries, ecommerce may not take the traditional route. They skip a phase just like some markets skipped PC/desktop to go to mobile. In those markets, ecommerce 1.0 is skipped…" thus proving India an ideal market of Growth and ready to take its leap.

Retail 3.0 is layering of technology over the physical space. The customer is connected in real time 24/7. The customer can order using multiple platforms. Ordering on app or instore, ordering via Chabot's, Facebook messenger, WhatsApp etc. or other voice recognition platforms like google assistant, apple Siri, Samsung Bixby etc

	RETAIL 1.0	RETAIL 2.0	RETAIL 3.0
DEFINING FEATURE	Brick and mortar stores	E-commerce	Blended commerce. One on one interfaces
KEY ASSETS & VALUE CREATERS	Location and economics of scale	User Experience / Code & Reach & Long Tail	Customer Data & Customer Proximity
CONSUMER EXPERIENCE	High Touch	High Tech	High Touch + High Tech
COST OF DOING BUSINESS	8-18%	45-55%	7-10%

The Future group plans to open store within 2km radius of every consuming Indian. Thus reaching within walking distance of households. It aims to open 10,000 stores of such kind. The store will be a very high tech. facility with a lot of data capturing points. It will be a data collection point and fulfilment centre as the company defines. The store will provide the basic needs of the customer and at least hold 3500 SKU's of daily needs and essentials. It will use a lot of technology to cater to the needs of both the customers and the company as the replenishment schedules will be decided after a combination of data sets collected providing the exact needs and fulfilling demands of customers at the earliest.

This is a computer rendition of the store showing the different tech. that will be employed. All the modern day concepts like gesture recognition, Wi-Fi tags will be used. A lot of sensors like weight sensors, parking space sensors, and weight mats etc. will continuously be connected in order to disseminate real time information. In addition the door counting sensors, demographic and mood sensors, IR motion sensors will also be placed.

Along with the virtual marketplace every customer touchpoint will generate data. That would provide company to profile each and every customer and continuously adapt itself to fulfil their demands. The customer will be mapped on certain architypes based on his/her behaviour like

- Class
- Family type
- Profession
- Aspiration
- Language
- Nativity
- Digital comfort
- Language

This type of mapping will create a profile of the customer for ex Mrs Sharma, a mid-age Punjabi woman, an immigrant, belongs to nuclear family and is aspirational and self-employed but digitally challenged. Annual visit to stores 24 spending 64000 rupees, potential spend of 148000 rupees. Along with in store information the social media feed and mobile location data and credit score will help in such type mapping. The stores will provide membership and it will be a member's only shopping system thus providing a very personalized shopping experience with one on one interfaces and customized offerings. Due to limited membership of 2000 members per store, it will be possible to maintain the data and records of customer to provide them their day to day offerings and occasional buying items reducing inventory and almost eliminating stock out. So there will be a one on one relationship with the customers.

Future Group estimates to bring a potential 2 Crore customers from 10,000 stores. With 1 Crore customers with a Potential Spend of 1 Lakh annually and 1Crore with

50,000 annually. Thus creating a 150,000 Crore opportunity in 5 years from these small stores alone. The company has started off with 1100 stores in 2018 under the name of Easyday Club.

Consumer data is key to Retail 3.0. Future Group, at its innovation labs is working with a lot of start-ups on the next generation Technology like machine learning with Hackerearth, text and image analytics with Turing Analytics, rating and review platform with walkin. A team of data scientists and technologists are building a Data Lake for Artificial Intelligence & Big Data at Future Group and building a real time organization. The data captured from different points needs to be evaluated and assessed and finally presented in simplified form to run the whole concept that is driven by Data science and predictive analytics. So that It can respond in real time.

The characteristics of new Retail 3.0 are that it is

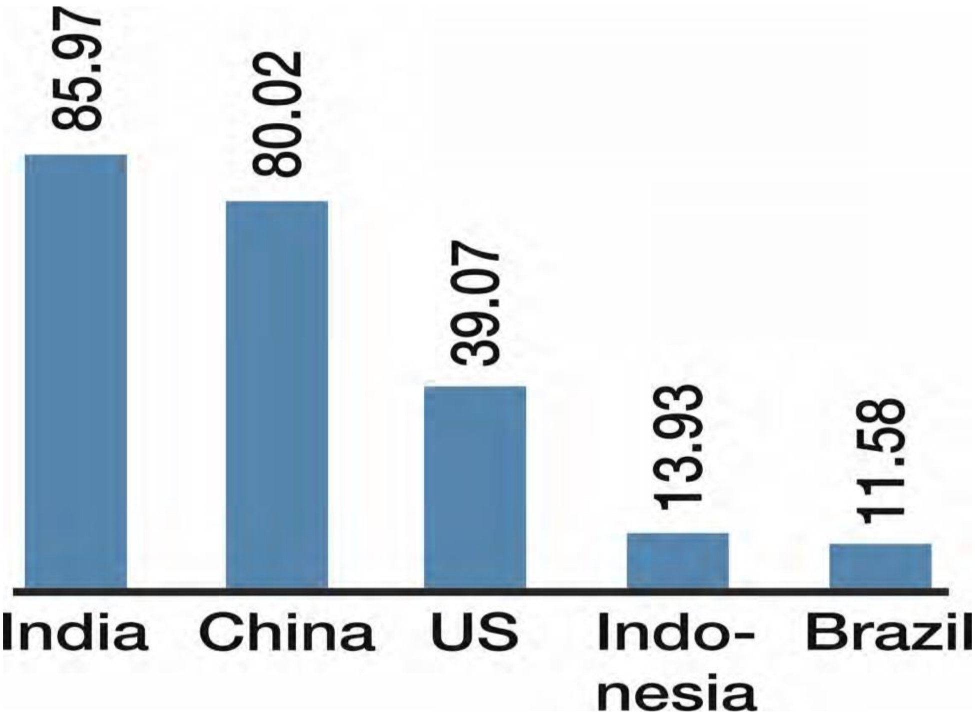
- **Scalable –** can upgraded or downgraded according to demand.
- **Evolving –** it is learning concept which continuously evolves itself.
- **Autonomous –** as it is an AI system, it can run on its own.
- **Proactive –** this being the most important aspect as it can predict the demand and supply so its acts beforehand to provide best service.
- **Frictionless –** as the system can run on its own without much human intervention.

2047 VISION: TATHASTU

The model now is: You Ask, We Deliver – as you can order through Chabot's, messengers or on apps, websites.

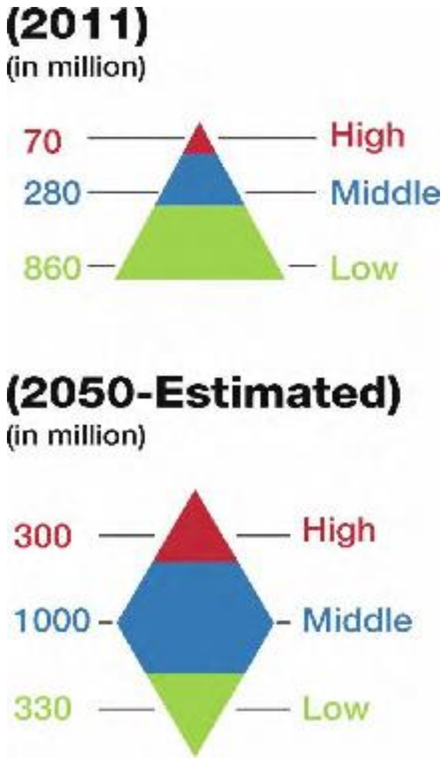
Model 2047: You Think, We Deliver – based on machine learning, predictive analysis using AI, pattern recognition, image analysis, mood recognition.

In 2047, suppose there is a marriage in your family and you aren't sure what to wear. Based on consumption and social data, they will be able to predict what others are wearing at the wedding and recommend what you should buy and wear. Similarly if you are hosting a Party and not sure what people would like to eat, they will be able to recommend what your friends like the most.



India will be World's largest economy in 2050 according to Future Group estimates.

World's 5 largest economies in 2050 (GDP by PPP)



In terms of income distribution, India will move from a pyramid to a diamond

Population Estimate for 2050: 1.63 billion

India will provide an opportunity to Future Group to Grow at 20%CAGR and acquire Data, time and consumption spend of 5 crore customers with each household spending an estimated $20,000 per annum. To be the first Indian Trillion Dollar Consumer Business before 2047. Among the Top 3 Global Fashion companies and among the Top 10 Global Food & FMCG companies and be the Leading Integrated Consumer Business in Asia.

CHAPTER - 3

SECONDARY RESEARCH

SECONDARY RESEARCH -

For secondary research data has been collected mainly from different reports and journals available online. The reports published by various organizations mainly consisted of the retail information and related statistics. The various studies has been done on knowing the customer perception about new forms of Retail like organised retail and online retail formats. Also there has been studies about effect of these retail formats on existing traditional retail formats. There was no such study available on Retail 3.0 concept so this is a genuine effort to know the customer perspectives on this new format even before it is introduced in a large way.

LITERATURE REVIEW:

Dholakia (1999), the rationale for shopping is making physical visit to a shopping site. It is considered as a household task as well as a form of recreation, relaxation and entertainment. Shopping is also considered to have the most positive attribute of being a leisure activity along with work. Associated with females the activity is under pressure due to time constraints, Changing social roles and technological advances.

Sinha & Banerjee (2004) studied the drivers of store choice in various product categories, in the context of evolving retail industry in India and found that the distinct store features as perceived by respondents with true motivations of various consumers in patronizing various stores. Study suggests that consumers of Indian unorganized retail market do not require the service paraphernalia offered by many retailers. Store environment plays a vital role for store patronage and repeat purchases which includes convenience, value for money products, etc.

Backstrom & Johansson (2006) studied factors that influence consumers' in-store experiences. Results find out that retailors use ever advanced techniques to create a compelling in store experience while customers In-store experiences are constituted by traditional values such as the behaviour of the personnel, a satisfactory selection of products, price and a layout that facilitates the store visit.

Kalhan (2007) studies the impact of organized retail on unorganized retail shops. Major findings reveal that 70 % of unorganized retailers reported falling sales. This fall in sales is due to superior shopping environment, convenience, availability of variety, ambience of shop, and availability of parking space and perception of quality of products sold in organized retail setup.

P.Goswami (2008) studied the shopping experiences in kiryana stores and in modern stores. The major findings suggest Kiryana stores to improve or to enrich shopping experiences. Kiryana's also have to stay alert, try to upgrade and have to improve on service quality while concentrating on innovation and efficiency.

Das & Kumar (2009) studied the impact of sales promotion on consumers shopping experiences. A major finding reveals that keeping product satisfaction constant, sales can be improved by enhancing shopping experience which includes convenience of shopping, ease of locating products, easy check in and checkouts, customer friendly sales people and customer friendly policies. Secondly finding reveals that purchase decision for the same product under same promotion at different stores may vary because difference in shopping experiences provided by different stores. Further this study shows that promotion plays a limited role on consumers buying behaviour where only small percentage of people are attracted to such sales promotion and wait for it. Study lastly emphasizes on the importance of shopping experience (ease of shopping, parking space, convenience etc.) for positively impacting consumer buying behaviour.

Goswami & Mishra (2009) seek to understand whether Indian consumers are likely to move from traditional Kiryana stores to large organized retailers while shopping for groceries. The research finding reveals that customer patronage to grocery stores was found to be positively related to location, helpful, trustworthy salespeople, and home shopping, cleanliness, and offers, quality and negatively related to travel convenience. Kiryana's do well on location but poorly on cleanliness, offers, quality, and helpful trustworthy salespeople. The converse is true for organized retailers. Study also finds that Kiryana's have major disadvantages on all customer perception scores except location. These scores being less important determinants of patronage compared with location, in the short run Kiryana's may not be ousted out of customers' flavour. However, in the long run if they do not work on these other factors, they would face oblivion. Kiryana's need to upgrade their facilities to be able to compete with the organized retailers to provide consumers better shopping experiences, whereas organized retailers which are expected to improve their location scores rapidly in the near future will grow rapidly.

Mittal and Parashar (2010) focused on finding out major attributes of the retail stores as perceived by the customers. According to them these are availability and variety, service, ambience, discounts and price, quality of products, and promotion. The knowledge of these factors is very useful for retailors to plan the strategies for customer retention and improving loyalty towards their store. The consumers are more inclined to get an experience of their shopping. The shopping place should be convenient, a place where customers can relax and lay their hands on whatever they wanted, it should not be another pain. The stores should try to add value to the shopping experience.

Sivaraman (2010) analysed customer attitude toward unorganized retailers on the attributes of store image, range of products, brand choices, price, store ambience, credit availability, shop proximity and complements. However there were no perceived difference on product freshness and customer care. This study clearly point out that the unorganized retailers are facing stiff competition from the organized retailers. This has reduced their sales, profit, and employment considerably. The operational cost, consumer credit also increased due to the presence of organized retailers.

Kushwaha (2011) compared the perception of consumers in organized and unorganized retail market and found that factors like cleanliness, distance, price, quality, safety and space for shopping are the determinant factors for unorganized retail. They also emphasised on building good network between retail and other channels to use compatible technology so as to satisfy customers.

Purohit and Kavita(2013) according to their studies that the traditional retailers are not very much clear about the consequences of the modern retailing the traditional retailers are neutral or undecided, modern retailing will cut the profit margin of the traditional retailers; the modern retailing will lead healthy competition in the market, modern retailing will reduce the sales volume of the traditional retailers and traditional retailers should improve customer care services in the era of modern retailing.

Mathew Joseph (2013) Unorganized retailers in the vicinity of organized retailers experienced a decline in their volume of business and profit in the initial years after the entry of large organized retailers. The adverse impact on sales and profit weakens over time. There was no evidence of a decline in overall employment in the unorganized sector as a result of the entry of organized retailers. There is some decline in employment in the North and West regions which, however, also weakens over time. The rate of closure of unorganized retail shops in gross terms is found to be 4.2% per annum which is much lower than the international rate of closure of small businesses. The rate of closure on account of competition from organized retail is lower still at1.7% per annum. There is competitive response from traditional retailers through improved business practices and technology up gradation. A majority of unorganized retailers is keen to stay in the business and compete, while also wanting the next generation to continue likewise. Small retailers have been extending more credit to attract and retain customers.

S.Chandrasekaran (2015) studied the consumer behaviour towards big bazaar. They found out that price and variety of products were the biggest driving factors whereas the service quality was not perfect and suggested improving the service speed as well as staff knowledge. There is no relationship between the family income earning by the customer and mode of payment. There is a high positive correlation between the positions obtained by the satisfaction level on price and quality.

CHAPTER - 4

PRIMARY RESEARCH

OBJECTIVES OF STUDY:

- To understand the customer perception about Retail 3.0 concept by Future Group
- To know the driving factors for the customers to join such a club.
- To know the customer willingness to share the personal info which is crucial for the concept to work.
- To know the effects of such concept on the local kiryana stores and grocery vendors in terms of customer retention.

RESEARCH TOOL-

A questionnaire has been used as a research tool to gather data. The questionnaire has been developed by referencing the previous such research studies. No personal information was asked so as to make the questionnaire more acceptable and only name of the respondents was asked along with their family income. The respondents are segmented according to their sex and their membership status with the big bazaar. Based on the research eight elements have been identified as motivating factors for joining the organised retail formats. These are quality, availability of options, lower price, offers &cashbacks, freshness, home delivery, easy ordering, and neat & clean outlets. The relative importance of these factors will tell us the most important of them all.

SEGMENTING -

As the Future group will be targeting mostly the younger population or the working population who are very tech. friendly so the only such respondents are being targeted. As this concept is a long term aspect and requires sharing of personal and financial information so the young population who are entering the corporate worlds becomes a very important segment for the future group to succeed as they are willing to try new things and ease their life. Technology adoption is also the highest among this group than to the other higher age groups. If this group adopts the concept then the Future Group plans will be shining bright.

SAMPLING -

A simple random sampling of 100 people has been done to fill the questionnaire. The respondents are mainly the final year students of Delhi Technological University and some working professionals. All of them hail from different backgrounds and cities but currently reside in Delhi.

LIMITATIONS OF THE STUDY:

- Time constrain has prohibited from going deep into the subject.
- The information obtained or the collection of data is limited.
- The study is purely academic.
- The inexperience makes analysis less precise when compared to professional analysis.
- Due to time constraints study is restricted to Delhi only.
- The respondents are mainly from a certain age group which the big bazaar will be targeting the most.
- The respondents are mainly from Delhi Technological University, Delhi.

SCALE -

A four point scale has been used for this questionnaire with 1- not important and 4- highly important and likewise modified for other questions. This allows to clearly interpret the results as one disagrees or not as in 5 point scale you are unable to categorise the neutral respondents who mark 3 as response.

RESULTS AND FINDINGS

Age of respondents?

Age Group	% of respondents
20-27	58.7
27-34	41.3

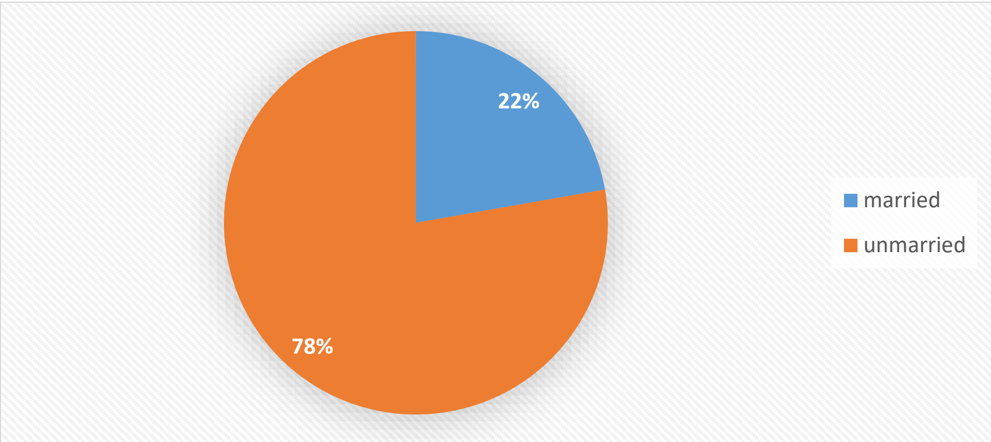
The respondents are mainly the last year students who are due to enter the corporate world in a few months or the young professionals working with different organizations.

Sex?

Male	**73%**
Female	**27%**

73% of respondents were male and 27% were female thus providing a fair bit of comparison needed.

Marital status?

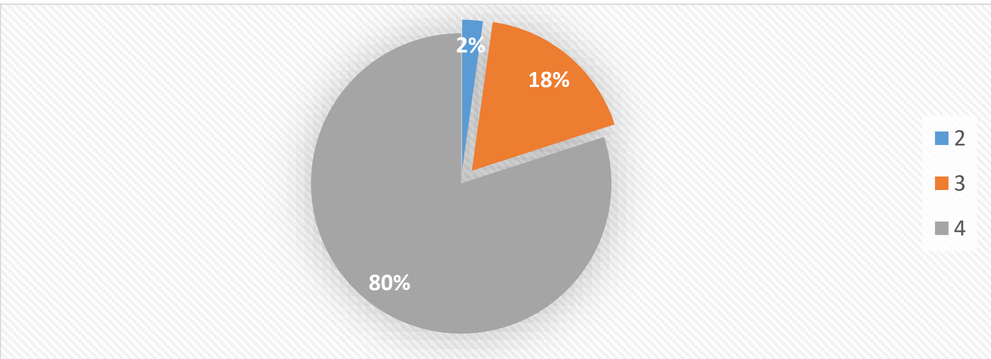


78% of the respondents are unmarried and 22% of them are married giving us a fair bit to compare and further analyse the perceptions and views.

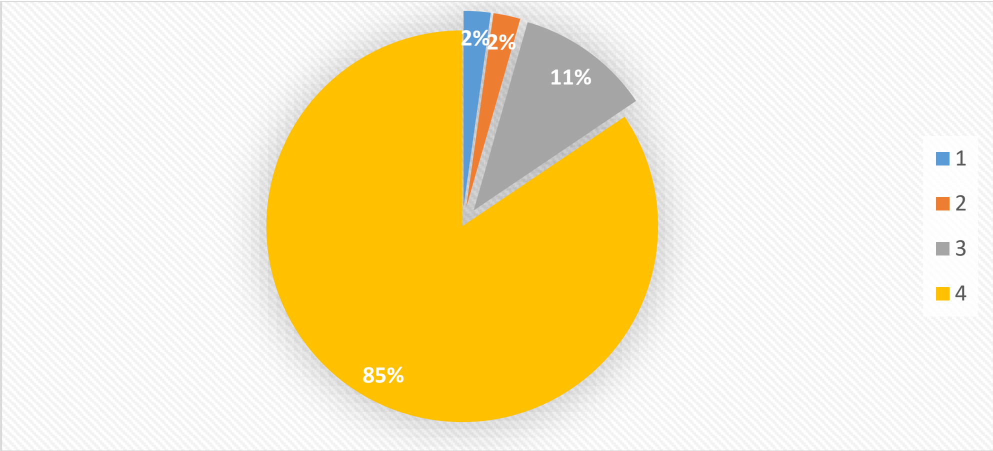
Are you already a member of Big Bazaar, Easyday?

yes	43%
no	57%

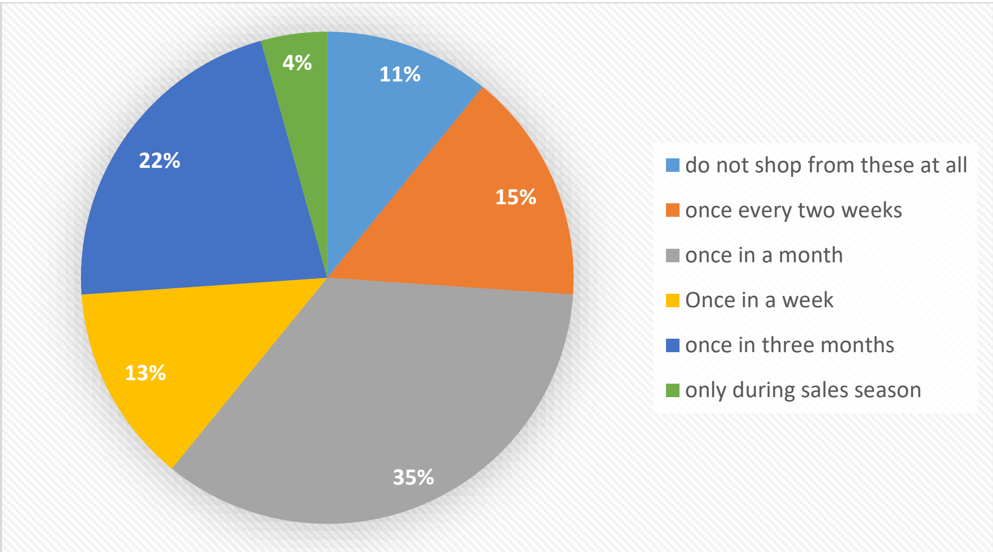
Are you familiar with online payments, e-wallet payments?



Are you familiar with online shopping?

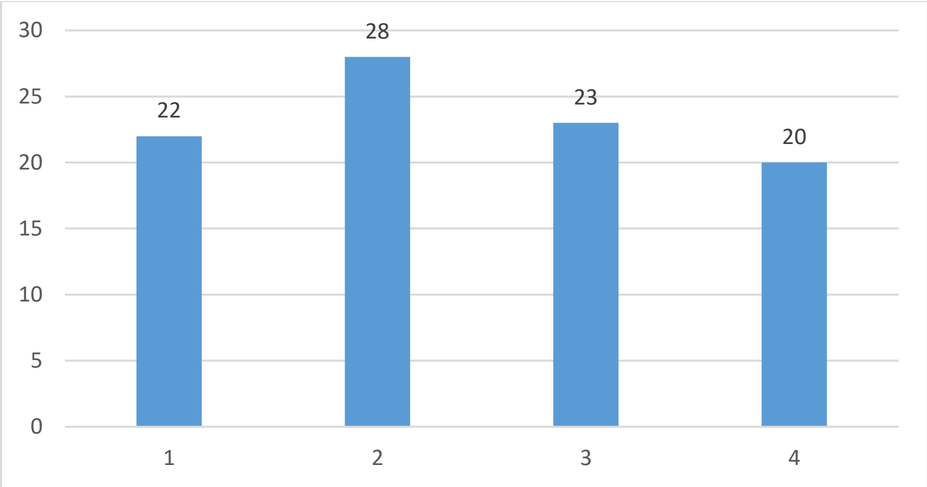


How often do you shop from Big Bazaar, Easyday?



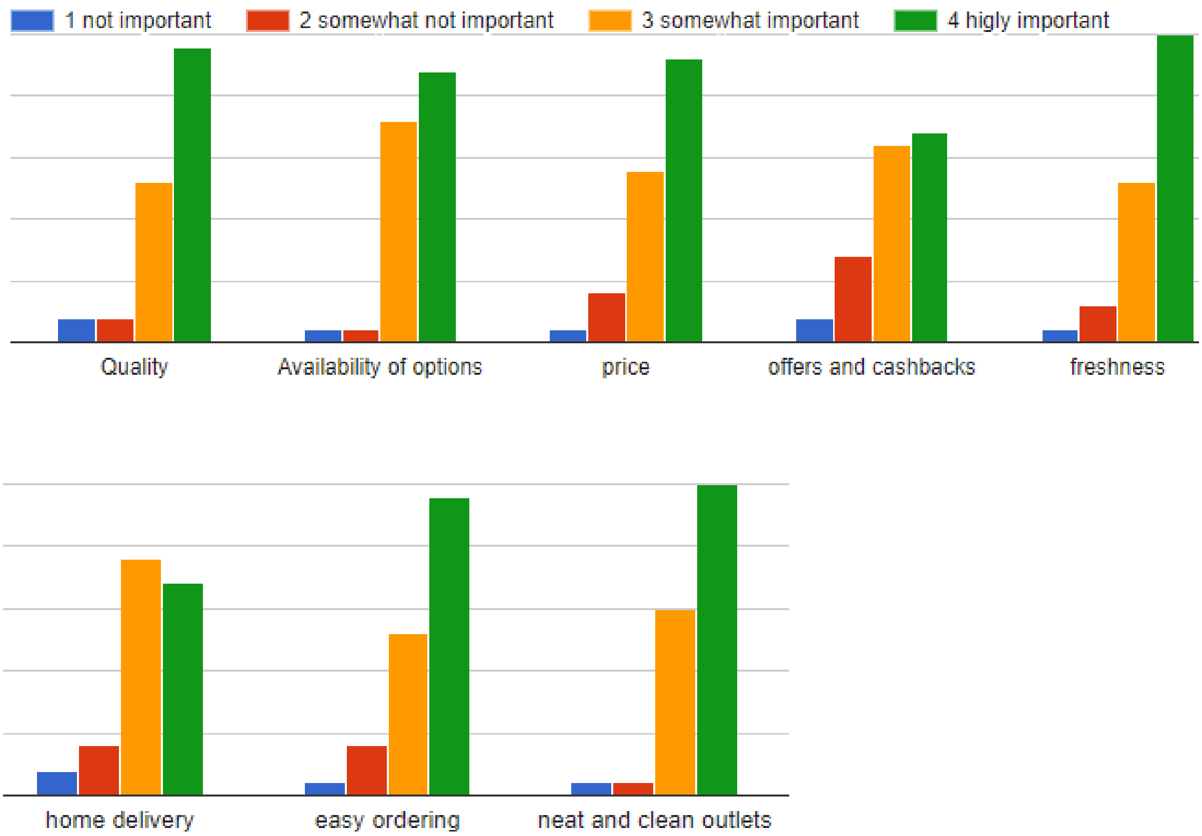
85% of the respondents already shop from big bazaar with 27% of them being frequent buyers another 35% visiting the store at least once a month. They already have experienced all the bits of organized retail and are the potential targets of the new project. 11% said they do not shop from these stores and 4% visit only during sales season. Clearly the major part of population has been to these stores and are familiar with the services offered.

How likely you are to be a member of new Easy Day clubs?

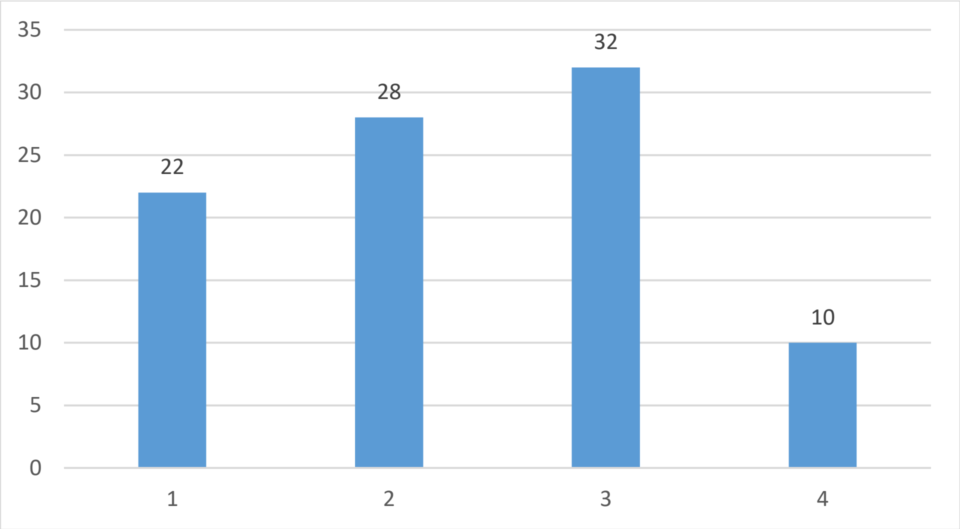


Around 43% of the respondents are very likely to be joining Easyday clubs. Another 27% may change their mind. Around 23% simply said no to such membership. So there still odds to the membership system as of now.

Why would you join the new Easyday club? Rate the multiple factors on scale of 1-4 based of their importance in motivating you

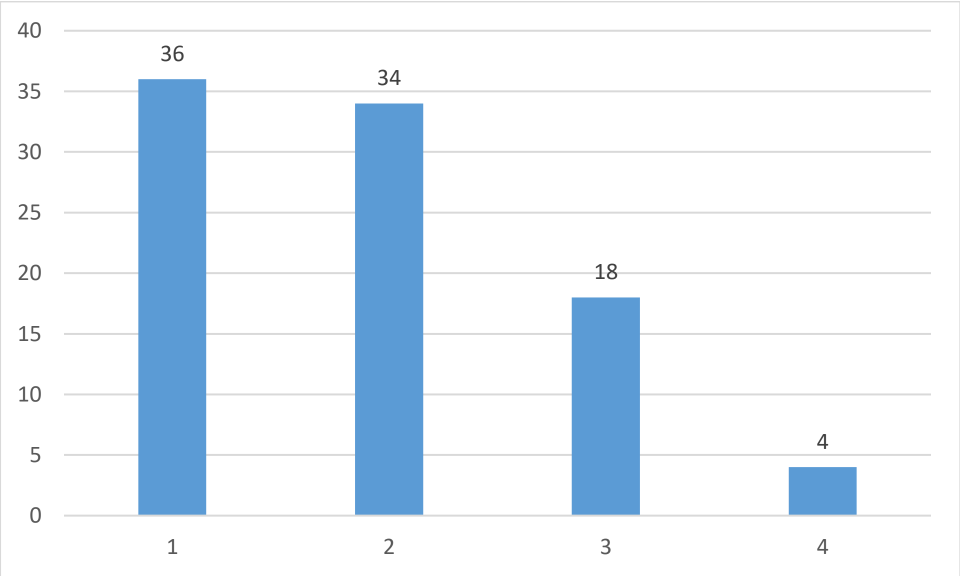


How comfortable you are with sharing your mobile phone info.(mobile no., location data) with these stores?

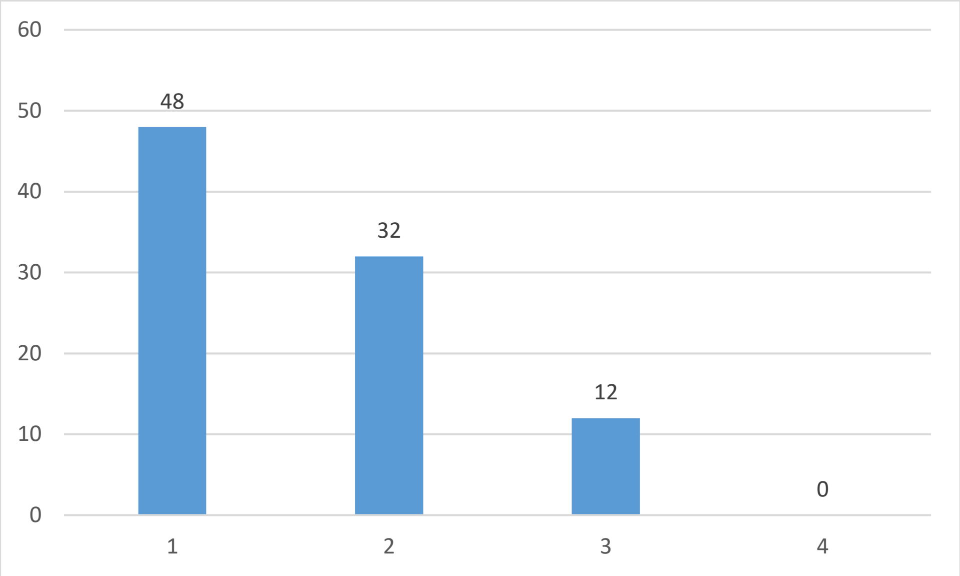


Respondents were not highly comfortable with sharing their mobile and location data as only 10% opted for it but still 35% can opt for such service if they feel benefit in services and another 30% if motivated.

How comfortable you are with sharing your social media info.(likes/dislikes) with these stores to serve you better?

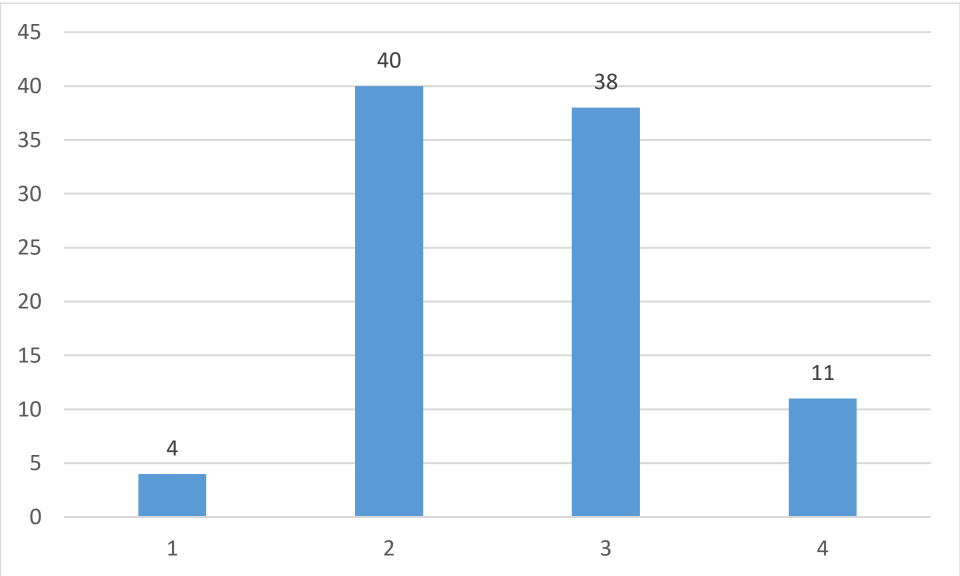


How comfortable you are with sharing your financial info (credit score) with these stores?

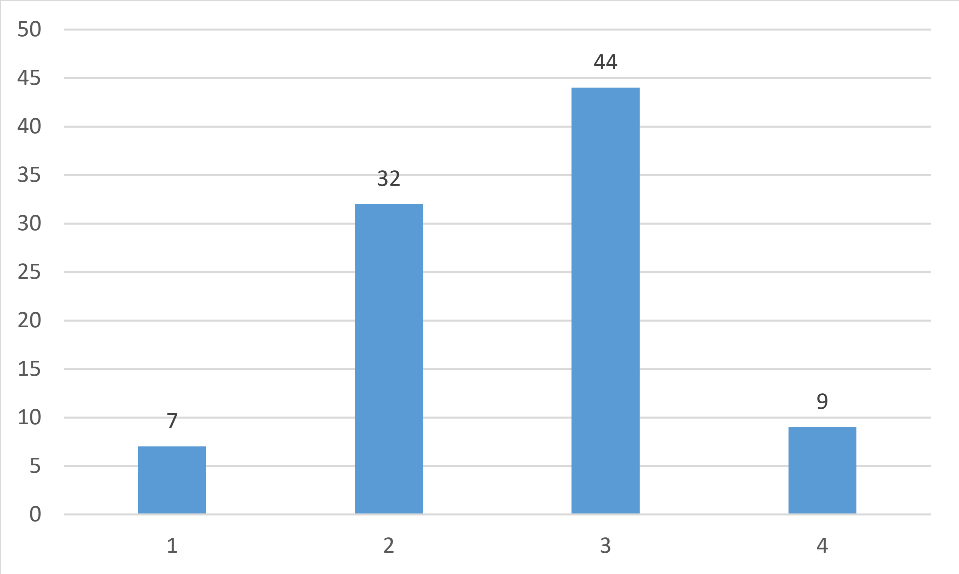


Respondents were very reluctant to share their social media information and even more for sharing their financial information which is going to be a big hurdle for the Future Group to convince people and earn their trust in sharing such information as it is very crucial for the whole concept to succeed. The supply chain statistics and forecasting of demand depends on this information heavily as a limited number of SKU's can be present at the small store so in order to fulfil the demands the likes/dislikes of the members and their financial strength has to be known beforehand.

After joining such a club, how likely u will visit the kiryana stores?

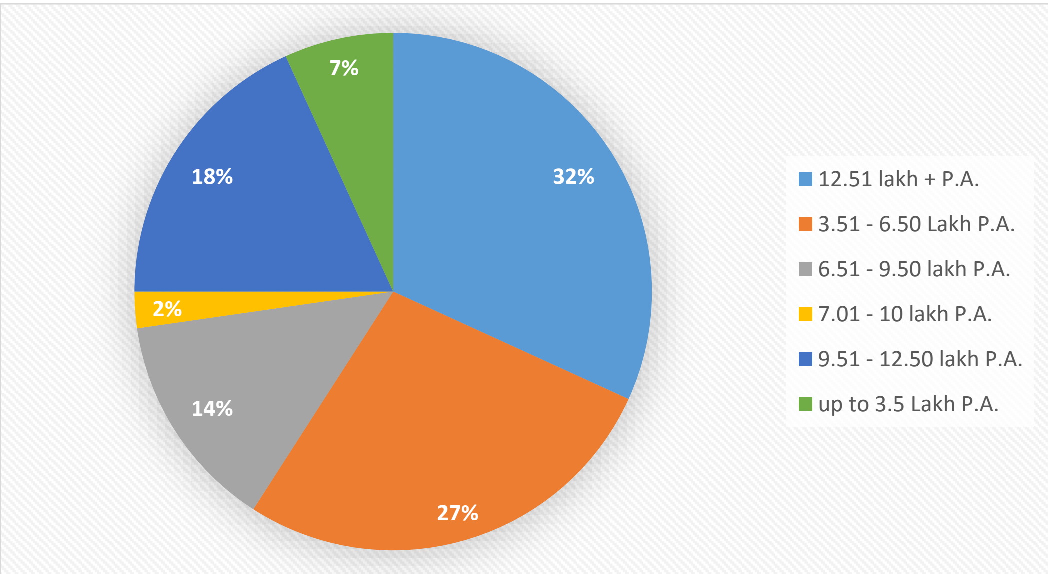


After joining such a club, how likely u will buy from the local grocery vendors?



The respondents are highly likely to reduce their visits to both kiryana stores and grocery vendors. There will be drop in their shopping through these traditional ways of retail once they join such a club. This perception is likely to be retained as they would get easy deliveries and one stop shopping from a nearby Easyday store. Although respondents have not completely boycotted such local stores and vendors. The Kiryana's will be more effected according to the respondents and grocery vendors may still go on as such.

What is your family income?

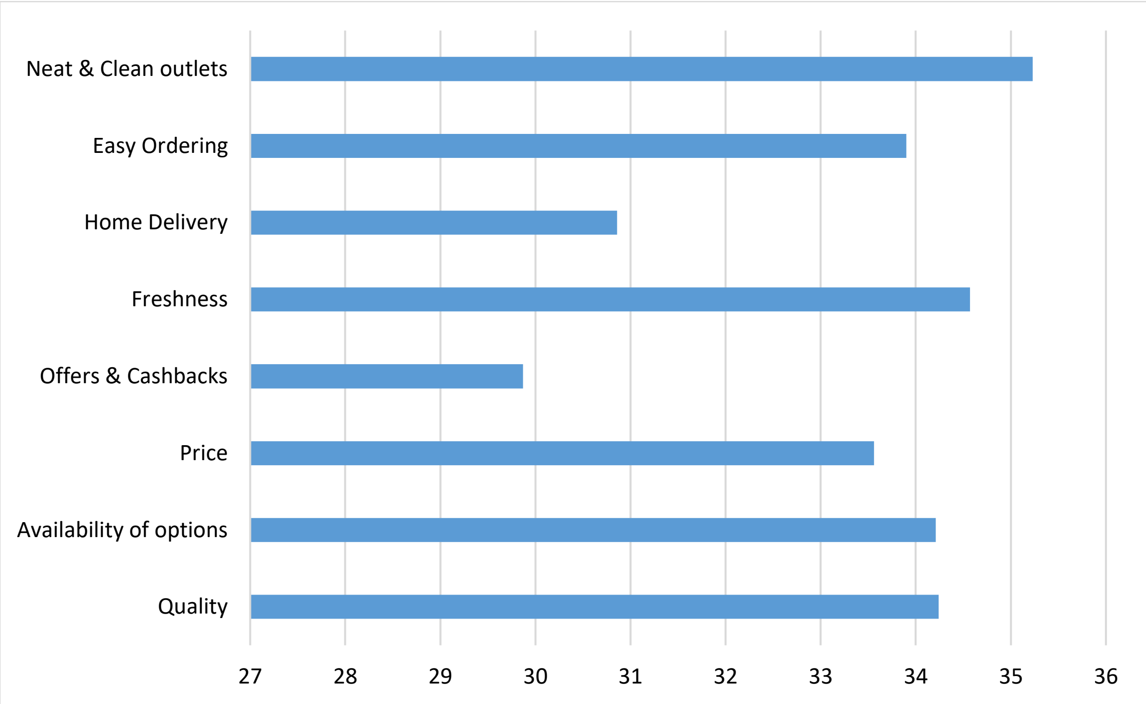


CHAPTER - 5

RESEARCH ANALYSIS AND CONCLUSION

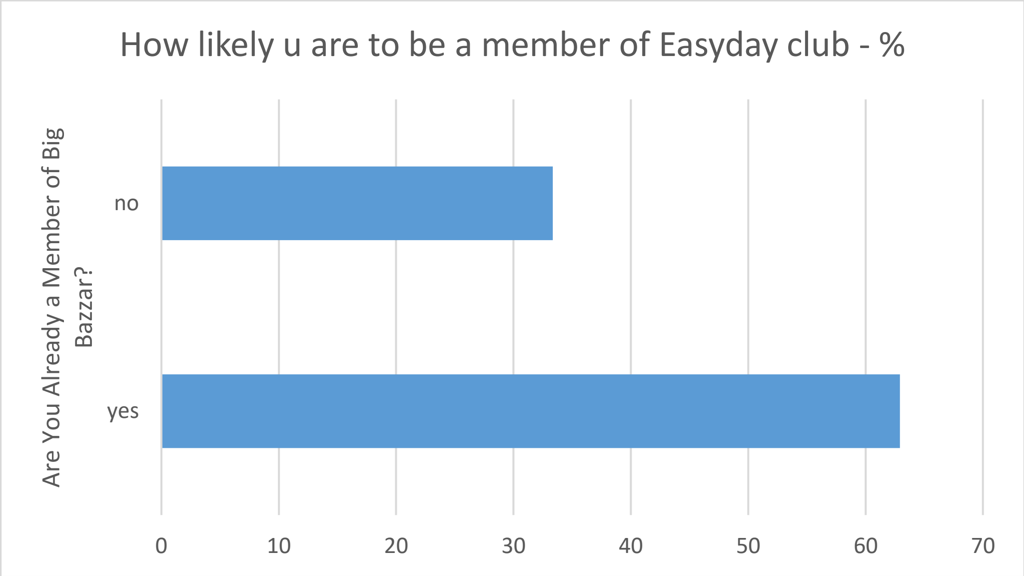
RESEARCH ANALYSIS

- All most 80% of respondents were very familiar with online shopping and payments given the smartphone penetration among the youth population a tech. knowledge must for the members of the club.
- About 60% of the married respondents were highly likely to join Easyday clubs as against only 18% of the unmarried respondents.
- The no. of people likely to join the Easyday clubs increased with the increasing age as seen by results although a limited no of age groups were taken to consideration.
- The relative importance of factors



The cleanliness has been rated as the highest factor in motivating people. The quality and freshness being other high factors which are associated with it so they overlap each other in some ways and are rated accordingly as well. The availability of options is next highest rated factor which is very crucial point of Retail 3.0 to provide people access to a large no of products. The easy ordering and price point also got a high rating justifying the very nature of Indian society. Home delivery and offers are not only least rated but also very low rated as compared to other factors while these two are seen as the main playing points of the Future Group in marketing the whole concept and as important aspects of the Retail 3.0.

- The relative % of people already a member who are likely to join the club are shown in the chat below. The respondents who are already a member of the Big Bazaar and have experienced their services enough are more likely to join the new Easyday clubs as only 34% of respondents showed interest in joining who are not a member already.



- The respondents who were likely to join the Easyday club were ready to share their personal information like mobile location data, social media information and credit scores more readily than the respondents who were not likely to join. Respondents were more reserved with social media information and most with the credit information. Future group has to do real efforts in order to earn the trust of customers and convince them to share the information because it is very crucial form the demand forecasting point of view.
- 72% of respondents who shop once a week, 57% who shop once every two weeks and 53% who shop once a month are likely to join the Easyday club. The percentage greatly dropped for more occasional buyers. Thus the Future Group has to make efforts in terms of giving people an experience of their services at first hand so that they can understand the value it can provide to them.

CONCLUSION

The Future Group’s Big Bazaar, Easyday are already very well-known brands in India. They certainly have an upper edge in launching such a concept. Respondents have a very positive view of the concept and especially the people familiar with the services provided by the Group are ready to join the new clubs. There has been multiple factors which are motivating them and in our research the Quality, Freshness of products and cleanliness has been very highly rated. According to earlier research customer don’t have good perception about the cleanliness of stores so Future Group will have to work to change that perception. The availability of options also got a high rating which is going in favour of the company as they are likely to store around 3500SKU’s in their stores as against only 5-600SKU’s present at nearby Kiryana stores. The offers and cashbacks have been the serious marketing tools for the Group with Big Bazaar recently announced ‘everyday low prices’ but it was very poorly rated in our research. The home delivery which is also the next step of such store openings also got a low rating as of now. Maybe once the customer experience such a service then their perception may likely change.

Overall there is a positive environment for the Group to launch the very ambitious Retail3.0 ‘TATHASTU’. The customers are willing to experience and benefit from it. The way it is going to ease the life is yet to be seen but right now the perceptions are very positive and hopes very high. The way technology adoption is taking place in India it becomes a necessity for the business to incorporate smart Tech. solutions in order to remain prevalent. The Future Group is going way ahead with a long vision. The customers who have been to their stores will provide the initial support but they will have to work in order to cash on fully. The couples and the families are more likely to join such clubs as seen by research and customer in the mid age of 30-40 may form the largest group as they are both technology driven and ready to experiment generation. Also this group of people buy the maximum retail items both for their own and their families thus should be the target audience for the company. The customers will have to be won over in terms of trust so that they share their personal information with the Group as in our research the respondents

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