

## Elements of the retail marketing mix: a study of different retail formats in India

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### Keywords

Retail Marketing Mix, Retail formats, Hypermarkets, Specialty Stores, Department Stores.

### Abstract

**Purpose of study** - The purpose of this research is to compare the different retail formats and study them in the light of the various elements of the Retail Marketing-Mix. Specialty Stores, Hypermarkets, Convenience Stores and Department Stores are examined on the attributes of Quality, Length of Assortment, In-store services, Price, Location, Floor Space, Promotion, Loyalty Programs, Personnel Management, Ambiance and Operational Excellence to determine the importance of different elements of Retail Marketing-Mix for different formats.

**Design/methodology/approach** - The data was collected using self-administered questionnaires from various retailers belonging to different category of retailers ( $n = 90$ ). The data was later compared by the means of statistical analysis using SPSS 21.

**Major Results** - A summary of results reveal that each store attribute holds different importance for different formats. All the strategy dimensions are of High Importance for Department stores. Whereas, for Hypermarkets and Specialty Stores, they are either Highly or Moderately Important.

**Managerial Implications** - The study throws light on the strategic preferences of different retailers for different dimensions. The results from this study are very insightful for retailers planning to foray into the lucrative Indian retail marketplace. Though the hypothesis for various parameters were well supported from the existing literature, the results were quite different from the scenario studied. Hence this research is unique to the Indian retail context.

**Originality Value** - This is an original research work that includes a comparative analysis of different retail formats in a single study. Past studies are scarce on the subject and mostly focussed on retail food industry. What makes this study more unique is its special contextual reference to the Indian retail sector.

**Limitations** - The paper is limited in its approach in terms of the sample size. There is a large scope for conducting the main study with a larger sample size and a broader geographical coverage.

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### 1. Introduction

Retailers represent the culmination of the marketing process and the contact point between consumers and manufactured products. Retailing involves those companies that are engaged in procuring products from the manufacturers and reselling the same goods to the consumers. While buying has always been the highest priority for retailers, the retailers now follow a more holistic approach to marketing and management. There has been a dramatic increase in the scale of operations & in marketing concentration in a lot of developed economies. This is due partly to the appearance of large scale retail chains that have taken over market share from independently owned small shops. These retail chains first developed into regional groups and then into nationally and even internationally active retail operations.

Every business has a different way of delivering its products & Services to the consumers. In retail scenario we call it the 'Format', that the retailer adopts to reach to the end consumer. Companies today are confronted with new technologies, shorter product life cycles,

globalization and tougher competition. There are numerous ways in which different retailers do business. A business model is the manner in which a retailer choose to serve its consumers & stakeholders. In the Retail world, business model would mean the product or service the retailer choose to sell, It would refer to the communication & promotion that the retailer uses to reach its consumers.

The Retail model that a retailer follows is relevant with reference to a particular time. Trends in Market Positioning, Competition and Marketing abilities are some factors that affect the retail format choice. The retailers extended their marketing efforts to customers with the use of marketing mix elements. However, different retail formats apply different elements of marketing mix because of the difference in customer and competitive conditions for various retailers (Greenley & Shipley, 1992). A customer today knows which store to visit for what purposes. A retailer is well aware of the fact that a customer attaches different importance and relevance to a single attribute across various formats. For instance price may be an important or the most important attribute for a consumer while visiting a discount store and the same price may not be as important a factor while visiting the specialty store for the same category of products. Similarly other attributes like quality, services etc hold different importance to customers across different formats (Baker, Parasuraman, Grewal, & G.B.Voss, 2002). There are certain desired retail attributes of the customers for the retail stores (Carpenter & Moore, 2009). And it is important for any retail outlet to concentrate on the attributes that a consumer looks for. This particular research work is build around the same concept.

## 2. Literature Review

### *Retail Formats*

Retail formats today have made the life of the customers hassle free and convenient. This has eventually resulted in aggressive competition amongst retailers and opened a gateway of metamorphic innovating store concepts in the market (J.Maronick & M.Stiff, 1985). Retail formats can be classified into a number of ways. Based on ownership, Merchandise offered, non-store, service based etc. For this particular research, we have taken four kinds of retail formats. Hypermarkets, Department Stores, Specialty Stores and Convenience Stores.

*Hypermarkets* are self service retail formats that provide a vastly wide variety of merchandise for the consumers to choose from. A Hypermarket is a large establishment combining the characteristics of a supercentre and a department store. These establishments are generally larger in size and cover 1, 00,000 sq ft or more floor space in a retail outlet. Their business model focuses on high volume and low margin sales. They stock around 35, 000 to 60, 000 Stock Keeping Units (SKU). Food items constitute around 60 to 70 percent of the total sale of hypermarkets (Castrillo, Mira, & Gurdjian, 1998). *Department Stores* usually deal with the sale of apparel, furniture, home appliances, and electronics. They stock high quality assortment with an emphasis on the length and breadth of the assortment. They give limited variety to the consumers and focus more on quality. They cover area of Less than 10,000 sq ft. These are the general merchandise retailers offering various kinds of quality products and services. *Specialty stores* offer a vast array of product for every category of the goods that they deal in. A conventional specialty store concentrates on a limited number of complementary merchandise categories and emphasizes on a high level of service. They are generally small in size whereas the size can vary from large to small depending upon the type and category of the product. These are highly specialized stores with limited assortment of products. High emphasis is paid on customer service and after sales follow-ups. The size of *Convenience stores* (c-stores) is determined by the variety of products that they store. They can be as small as a kiosk with a size

of around 800 sq ft or as vast as 4000 to 5000 sq ft. Their prime attraction is the accessible location and convenience that they provide to the customers. The items stocked by convenience stores are the daily use products. Most of the sales of convenience stores come from refrigerated goods (Kirby, 1986). Along with convenience of location, these stores also offer extended working hours to the public (NACS online, 2011). They provide the maximum ease and convenience of buying a product for the consumers (Bianchi, 2009), rather than competing on prices or product varieties (Welsh, Bent, Seaman, & Ingram, 2003), they compete more on customer convenience.

### ***Retail Marketing Mix***

The concept of Marketing Mix was first pioneered by Prof. Neil H Borden (In the Late 1940s). But the famous 4P's of Marketing namely, Product, Price, Place & Promotion, were devised by Gerome McCarthy (1960), These remain widely used by marketers and practitioners around the world. Though a lot of empirical work lacks in the field of marketing mix, but several studies confirm that the 4Ps Mix is indeed the trusted conceptual platform of practitioners dealing with tactical/operational marketing issues (Sriram & Sapienza, 1991). Retail marketing includes some additional, distinctive aspects that the Marketing Mix also fails to address. The authors in the previous literature have agreed that the 4Ps of marketing are not enough & do not present an adequate platform for planning of marketing activities in this domain. Most researchers suggest replacing the mix with new concepts or adding new elements to it. Personnel, Physical evidence & Process are are factors contributing to unique customer experience as basis of differentiation and retention (Constantinides, 2006). According to Lazer and Kelley (1961) Retail Marketing Mix includes all the goods and services a store is able to offer to its consumers and also all the programmed efforts of the managers that adapt the store to market environment. Over the years, different authors have proposed different elements of the retail Marketing Mix.

Hansen (1990) proposed nine elements of the marketing: Location; Assortment; Product, especially Private Labels; Store Layout; Price; Sales Financing; Sales Promotion; Customer Service; Customers' Complaints Management. Berekoven (1995) defines, ten retail marketing elements: Assortment; Commercial Brands; Quality and Quality Assurance; Service; Price; Advertising; Sales Promotion; Store Layout and Merchandising; Sales Force; Location. More recently, Müller-Hagedorn (2005) considers only six policies (Location; Assortment; Price; Promotion Planning; Sales Force; In-Store-Management). The most popular elements of retail marketing mix are Product, Price, Place, Promotion, Personnel, Physical evidence & Process.

### **3. Theoretical Framework & Hypotheses**

Based on the Review of literature, certain such parameters were identified for the purpose of this study. The basic purpose of this study was to identify the importance of such parameters for different retailers. There are certain desired retail attributes of the customers from the retail stores (Carpenter & Moore, 2009). It has also been observed and is quite true to some extent that the managers and the customers evaluate the importance of various store choice factors alike (Hansen T. , 2003), hence an effort is made to identify the associative importance of different attributes for different retail formats. Past literature has proved that the same set of factors differ in their importance for various retailers (Balija, 2010). It has been hypothesized that these retail formats associate either High, Medium or Low importance to these attributes. The respondents were asked to rate these factors on a five point likert scale. There

were 11 parameters identified for the purpose of this study. The section below mentions the various hypothesis for different retail formats.

## **Product Mix**

### **(i) Quality**

Quality is a one of the most important dimension of any retail organization. *Department Stores* have a high focus on quality, They emphasize more on the quality of products rather than price (Williamson, 1986). *Hypermarkets* keep a large assortment of products that are both of good and average quality, their national brands are of high quality, while the private labels are of moderate quality (Zentes & Schramm-Klein, 2007). Hence, they give moderate emphasis on the quality of their products. *Specialty Stores* offer high quality products, that are hard to find in other stores. The selection of products in a speciality store is considered exclusive, i.e. things consumers buy to have some luxury in their lives. (Skallerud, Korneliussen, & Olsen, 2009). *Convenience Store* retailers 'have committed to fresh, high-quality food as their driving focus' (Longo, 2007) having a high focus on the quality of products.

*H<sub>1a.1</sub>: Quality has High importance for Department Stores*

*H<sub>1a.2</sub>: Quality has Moderate importance for Hypermarkets*

*H<sub>1a.3</sub>: Quality has High importance for Specialty Stores*

*H<sub>1a.4</sub>: Quality has High importance for Convenience Stores*

### **(ii) Length of Assortment**

*Department Stores* associates high importance to the length of assortment. For them it is important to provide variety to attract more and more customers (Arnold,1997). Similarly *Hypermarkets* lay high emphasis on the number of products they keep in their stores (Castro & Di'az, 2004). The Length of assortment at *specialty store* is generally not that broad. They stock limited variety of products which can neither be considered broad nor narrow (Skallerud, Korneliussen, & Olsen, 2009). The *convenience Stores* owing to their smaller size as compared to other retailers, have a limited assortment of merchandize.

*H<sub>1b.1</sub>: Length Of Assortment has High importance for Department Stores*

*H<sub>1b.2</sub>: Length of Assortment has High importance for Hypermarkets.*

*H<sub>1b.3</sub>: Length Of Assortment has Moderate importance for Specialty Stores*

*H<sub>1b.4</sub>: Length Of Assortment has Moderate importance for Convenience Stores*

### **(iii) In-Store Services**

Customer service satisfaction depends on how well the service customers receive match their expectations (Austin, 1992). *Department Stores* provide services like gift wrapping, clean washrooms, child care facilities etc. Hence *Department stores* have a high emphasis on In-store services (Boon & Lin, 1997). *Hypermarkets* and *Convenience Stores* they both have average or moderate emphasis on the various instore services provided to the customers (Zentes & Schramm-Klein, 2007). *Specialty stores* associate high importance to in-store services (Gagliano & Hathcote, 1994)

*H<sub>1c.1</sub>: In-Store Services has High importance for Department Stores*

*H<sub>1c.2</sub>: In-Store Services has Moderate importance for Hypermarkets.*

*H<sub>1c.3</sub>: In-Store Services has High importance for Specialty Stores*

*H<sub>1c.4</sub>: In-Store Services has Moderate importance for Convenience Stores*

## **Price MIX**

### **(iv) Price Competition**

Prices and promotional activities may affect the image that customers have from the stores (Srivastava and Lurie, 2004). *Department stores* have moderate focus on price

competition. They are not as aggressive with prices as compared to their counterparts like discount stores etc (Chong, 1996). *Hypermarkets* have a very high emphasis on product pricing to increase sales volume (Cataluna et.al. 2005). *Specialty Stores* offer exclusive products and hence a consumer visits it irrespective of the high prices (Skallerud, Korneliussen, & Olsen, 2009). Since the *convenience stores* focus more on convenience, rather than price, Price of the product has moderate importance for a convenience store.

*H<sub>1d.1</sub>: Price Competition has Moderate importance for Department Stores*

*H<sub>1d.2</sub>: Price Competition High importance for Hypermarkets.*

*H<sub>1d.3</sub>: Price Competition has Low importance for Specialty Stores*

*H<sub>1d.4</sub>: Price Competition has Moderate importance for Convenience Stores*

### **Place MIX**

#### **(v) Location**

*Department store* customers have been researched to associate moderate or high importance on convenience of location as compared to a *specialty store*, where the location is a lesser important factor (Schiffman, Dash, & Dillon, 1997). *Hypermarkets* are generally located outside city centers (Castrillo, Forn, & Mira, 1997). Location is an important factor for *convenience stores*, since they focus on consumer convenience and so does their name signifies, they are generally located in residential areas that are easily accessible to the consumers (Wood & Browne, 2007).

*H<sub>1e.1</sub>: Location has High importance for Department Stores*

*H<sub>1e.2</sub>: Location has Low importance for Hypermarkets.*

*H<sub>1e.3</sub>: Location has Moderate importance for Specialty Stores*

*H<sub>1e.4</sub>: Location has High importance for Convenience Stores*

#### **(vi) Big Floor Space**

*Department Stores* are generally big in size. They range from as small as 30,000 sq ft. to as big as 60,000 - 70,000 sq ft. Hence a big floor space is very important for these stores. *Hypermarkets* have been defined as those with retail store sizes between 60,000 to 100,000 sq. ft. (Roslin & Noraini, 2002). Hypermarkets are the largest of all retail formats everywhere. Size plays a big role in the success of specialty stores. *Specialty Stores* are small in size as compared to other formats of retail. Their size vary greatly depending upon a number of factors like locality, customers, assortment etc (Carneghi, 1981). *Convenience Stores* are very small in size. They range from just 2000 - 4000 sq. ft. (Zentes & Schramm-Klein, 2007).

*H<sub>1f.1</sub>: Big Floor Space has High importance for Department Stores*

*H<sub>1f.2</sub>: Big Floor Space has High importance for Hypermarkets.*

*H<sub>1f.3</sub>: Big Floor Space has Low importance for Specialty Stores*

*H<sub>1f.4</sub>: Big Floor Space has Low importance for Convenience Stores*

### **Promotion MIX**

#### **(vii) Product Promotion**

*Department Stores* lay high emphasis on product promotion. Department stores have recorded the highest percentage increase in loyalty card usage among consumers in the USA (Berry, 2013). Even *Hypermarkets* also emphasize a lot on Product Promotion by heavily using channels like newspapers, flyers and coupons (Zentes & Schramm-Klein, 2007). *Specialty Stores* emphasize moderately on retail promotions by means of mass media of promotion, rather they use medias like social networking sites or sites like youtube etc for this purpose (Walters, 1988). *Convenience stores* have very little to moderate promotions for their stores (Zentes & Schramm-Klein, 2007)

*H<sub>1g.1</sub>: Product Promotion has High importance for Department Stores*

*H<sub>1g.2</sub>: Product Promotion has High importance for Hypermarkets.*

*H<sub>1g.3</sub>: Product Promotion has Moderate importance for Specialty Stores*

*H<sub>1g.4</sub>: Product Promotion has Low importance for Convenience Stores*

#### **(viii) Loyalty Programs**

*Department Stores* try to strengthen their customer services programs and their relationship management through various means (Noordhoff, Pauwels, & Odekerken-Schröder, 1990). Loyalty programs is one such dimension to it. *Department Stores* have reported to have increased in usage by consumers in the USA (Jeff Berry, 2013). *Hypermarkets* extensively focus on loyalty programs. These programs provide data on the shopping behaviour of customers and are helpful for the hypermarkets. while, the *convenience stores* neither have the scale nor technology for implementing loyalty programs (Wood & Browne, 2007). *Specialty stores* have a moderate emphasis on loyalty programs. The literature does not report much on the use of loyalty programs at specialty stores.

*H<sub>1h.1</sub>: Loyalty Programs has High importance for Department Stores*

*H<sub>1h.2</sub>: Loyalty Programs has High importance for Hypermarkets.*

*H<sub>1h.3</sub>: Loyalty Programs has Moderate importance for Specialty Stores*

*H<sub>1h.4</sub>: Loyalty Programs has Low importance for Convenience Stores*

#### **People MIX**

##### **(ix) Personnel Management**

The role of an employee is more important at a *Department store* as the customers often need assistance while shopping and hence more emphasis is paid on personnel management, while the same research empirically investigated that *convenience stores* require less of such kinds of assistances and hence a lesser emphasis on personnel Management (Bianchi, 2009); Similarly it was researched that the competence and friendliness of workers was an equally important factor rated by customers and retailers alike, emphasizing on the importance of personnel management in *specialty stores* (Hansen, 2003). Since instore service is an important aspect of *hypermarkets*, there has to be a keen attention on personnel management, as employees are large in number at hypermarkets (Zentes & Schramm-Klein, 2007).

*H<sub>1i.1</sub>: Personnel Management has High importance for Department Stores*

*H<sub>1i.2</sub>: Personnel Management has High importance for Hypermarkets.*

*H<sub>1i.3</sub>: Personnel Management has High importance for Specialty Stores*

*H<sub>1i.4</sub>: Personnel Management has Moderate importance for Convenience Stores*

#### **Physical Evidence MIX**

##### **(x) Ambience/Display**

*Department stores* are nicely decorated and well organized stores with a high focus on the Ambiance of the store (Greenley & Shipley, 1992);(Jones). A lot of time is devoted to enhance the visual merchandising of these stores. It refers to arrangement of merchandise and Displays. *Specialty Stores* centre their focus on product display as the consumers use it as an indication of the quality of product and form perceptions about the store image (Gagliano & Hathcote, 1994). The architecture of *Hypermarket* is cost effective with a simple store design and a functional oriented store atmosphere, while convenience stores have average looking store atmospherics owing to their limited scale of activities (Zentes & Schramm-Klein, 2007).

*H<sub>1j.1</sub>: Ambience/Display has High importance for Department Stores*

*H<sub>1j.2</sub>: Ambience/Display has Moderate importance for Hypermarkets.*

*H<sub>1j.3</sub>: Ambience/Display has High importance for Specialty Stores*

*H<sub>1j.4</sub>: Ambience/Display has Low importance for Convenience Stores*

### Process MIX

*(xi) Operational Excellence*

*Department Stores* lay a high emphasis on operational excellence because of the large number of product lines and substantial scale of activities (Doubman & Whitaker, 1927). *Hypermarkets* deal with a considerably large number of products lines and breadths, and they have a huge setup to manage, hence they give more weightage on achieving operational excellence (Castrillo, Mira, & Gurdjian, 1998). Though nothing could be found much on the retail store operations of *specialty and convenience stores*, so based on the scale and scope of their activities it has been hypothesized that these stores give moderate emphasis on operational excellence.

*H<sub>1k.1</sub>: Operational Excellence has High importance for Department Stores*

*H<sub>1k.2</sub>: Operational Excellence has High importance for Hypermarkets.*

*H<sub>1k.3</sub>: Operational Excellence has Moderate importance for Specialty Stores*

*H<sub>1k.4</sub>: Operational Excellence has Moderate importance for Convenience Stores*

## 4. Method and analysis

A structured questionnaire was used for data collection. It contained questions in relation to the organization structure dimensions. The questionnaires were distributed in different metropolitan cities of India. A total of 210 questionnaires were distributed in person to the store or functional managers based on convenience sampling method, out of which 90 filled questionnaires were collected (response rate of 42%). Out of a total of 90 organizations, There were 20 Department Stores; 18 Hypermarkets, 32 Specialty Stores and 20 Convenience Stores. To ensure the reliability of data and items used, reliability test and Principal Component Analysis (PCA) were conducted. The suitability of PCA was assessed prior to the analysis. Inspection of the correlation matrix showed that all variables had at least one correlation coefficient greater than 0.3 except for 2 item on Big Floor Space and Personnel Management that were just on the borderline (Table I). The overall Kaiser-Meyer-Olkin (KMO) measure was 0.76. Bartlett's test of Sphericity was statistically significant ( $p < .0005$ ), indicating that the data was likely Factorizable. The Analysis was simply done using the descriptive methods of calculating means (using SPSS 21), and studying the emphasis of various strategy dimensions across different retail formats. A five point Likert scale was used in the questionnaire to collect responses from the respondents. With 1 = Low emphasis, 3 = moderate emphasis & 5 = high emphasis, a  $\mu$  value of  $\leq 3.00$  was taken as low emphasis for any strategy dimension. A  $\mu$  value of  $\geq 4.00$  was taken as high emphasis for a strategy dimension, while a value in the range of 3.00 to 4.00 was taken to have moderate emphasis for any strategy dimension.

	ST1	ST2	ST3	ST4	ST5	ST6	ST7	ST8	ST9	ST10	ST11
Quality	1										
Length Of Assortment	-0.14	1									
In-Store Services	0.04	0.3	1								
Price Competition	-0.27	0.37	0.31	1							
Location	0.29	0.08	-0.03	0.01	1						
Big Floor Space	-0.02	0.44	0.52	0.32	0.09	1					
Product Promotion	-0.18	0.52	0.41	0.51	0.08	0.43	1				
Loyalty Programs	0.19	0.42	0.53	0.14	0.03	0.59	0.40	1			
Personnel Management	0.04	0.36	0.57	0.12	0.03	0.73	0.39	0.61	1		
Ambience/Display	0.2	-0.12	0.07	-0.04	0.03	0.04	-0.12	0.21	0.13	1	
Operational Excellence	-0.23	0.26	-0.07	0.40	0.00	0.10	0.30	0.04	-0.09	-0.06	1

**Table I - Inter - item Correlations coefficient for Elements of Retail marketing Mix**

The first set of hypothesis were tested for Department store organizations. These were studies simply on the basis of Mean Scores (**Table II**). All the hypothesis ( $H_{1a.1}$ ,  $H_{1b.1}$ ,  $H_{1c.1}$ ,  $H_{1e.1}$ ,  $H_{1f.1}$ ,  $H_{1g.1}$ ,  $H_{1h.1}$ ,  $H_{1i.1}$ ,  $H_{1j.1}$ ,  $H_{1k.1}$ ) were accepted for all strategy dimensions of Department store organizations except for Hypothesis  $H_{1d.1}$  related to **Price Competition**. The Hypothesis suggested that department store organizations give moderate emphasis on price competition, but the results revealed that Department Store organizations give high emphasis on price competition as well ( $\mu = 4.25$ ). The same strategy parameters were tested for Hypermarkets. The Hypothesis  $H_{1a.2}$ ,  $H_{1b.2}$ ,  $H_{1d.2}$ ,  $H_{1f.2}$ ,  $H_{1g.2}$ ,  $H_{1i.2}$ ,  $H_{1j.2}$  &  $H_{1k.2}$  were accepted, while Hypothesis  $H_{1c.2}$ ,  $H_{1e.2}$ ,  $H_{1h.2}$  were not accepted. According to the results, In-store services ( $H_{1c.2}$ ), that were hypothesized to have moderate importance/emphasis, were found to have high importance for hypermarkets ( $\mu = 4.11$ ). While the literature suggested that Loyalty programs have high importance for hypermarkets, but the data resulted that they are moderately important ( $\mu = 3.56$ ), on the other hand Location was hypothesized to be of low importance for hypermarkets, but they were found to be of high importance for hypermarkets ( $\mu = 4.44$ ). Hypothesis  $H_{1a.3}$  -  $H_{1k.3}$  were related to strategy dimensions for Specialty Stores. This resulted in  $H_{1a.3}$ ,  $H_{1b.3}$ ,  $H_{1g.3}$ ,  $H_{1h.3}$ ,  $H_{1i.3}$ ,  $H_{1j.3}$ ,  $H_{1k.3}$  getting accepted while 4 out of 11 hypotheses ( $H_{1c.3}$ ,  $H_{1d.3}$ ,  $H_{1e.3}$ ,  $H_{1f.3}$ ) were rejected. According to the results, In-store services ( $H_{1c.3}$ ) were supposed to have high importance for specialty stores, but they resulted into being moderately important ( $\mu = 3.96$ ) for specialty stores, Although the mean score was little on the higher side. Hypothesis  $H_{1d.3}$  was concerned with Price competition being of low importance to these stores but their mean value ( $\mu = 3.34$ ) came to being moderately important. According to the review of literature, Hypothesis  $H_{1e.3}$ , was related to Store Location, according to theory Location was a moderately important factor for specialty stores, but their mean value ( $\mu = 4.43$ ) indicated that Location was a highly important factor for specialty stores. The last hypothesis  $H_{1f.3}$ , that got rejected was related to the importance of big floor space for specialty stores. Specialty Stores according to the literature have low emphasis on the size of store that they operate in. But the results of research indicate that big floor space is highly important ( $\mu = 4.18$ ) for specialty stores. Hypothesis  $H_{1a.4}$  to  $H_{1k.4}$  were related to organization startegy dimensions and convenience stores. The result of the Analysis was that 7 out of 11 hypothesis ( $H_{1a.4}$ ,  $H_{1b.4}$ ,  $H_{1c.4}$ ,  $H_{1d.4}$ ,  $H_{1e.4}$ ,  $H_{1f.4}$ ,  $H_{1h.4}$ ) were accepted, while 4 hypothesis got rejected ( $H_{1g.4}$ ,  $H_{1i.4}$ ,  $H_{1j.4}$ ,  $H_{1k.4}$ ). The details of the rejected hypothesis were that hypothesis  $H_{1g.4}$  related to product promotion was hypothesized to have low importance for convenience stores, but the mean score ( $\mu = 3.94$ ) indicated that the item was moderately important for these organizations. The next hypothesis  $H_{1i.4}$  was related to personnal management, that was supposed to be moderately important for convenience stores, but their mean score ( $\mu = 4.07$ ) was high indicating that people management was of high importance to convenience stores. The next hypothesis  $H_{1j.4}$  was related to Ambiance, that was of low importance to these stores, but their mean value ( $\mu = 4.28$ ) indicated that they were of high importance to convenience stores. The last hypothesis  $H_{1k.4}$  to get rejected was related to the importance of operational excellence for convenience stores.

Constructs	Means			
	Department Stores	Hypermarkets	Specialty Stores	Convenience Stores
Quality	4.45	3.72	4.59	4.31
Length of Assortment	4.50	4.55	3.59	3.96
In store Services	4.55	4.11	3.96	3.91
Price Competition	4.25	4.67	3.34	3.88
Location	4.25	4.44	4.43	4.34
Big Floor Space	4.50	5.00	4.18	4.04

<i>Product Promotion</i>	<b>4.35</b>	<b>4.61</b>	<b>3.65</b>	<b>3.94</b>
<i>Loyalty Programs</i>	<b>4.80</b>	<b>3.56</b>	<b>3.62</b>	<b>3.50</b>
<i>Personnel Management</i>	<b>4.60</b>	<b>4.50</b>	<b>4.53</b>	<b>4.07</b>
<i>Ambience/Display</i>	<b>4.50</b>	<b>3.83</b>	<b>4.53</b>	<b>4.28</b>
<i>Operational Excellence</i>	<b>4.25</b>	<b>4.67</b>	<b>3.43</b>	<b>4.00</b>

Table II - Summary Statistics of the Constructs on Strategy for various retail formats

## 5. Conclusion & Managerial Implications

A summary of results reveal that all the strategy dimensions are of high importance for department stores. Whereas, for Hypermarkets and Specialty Stores, they are either High or moderately important. There are only two strategy items i.e., Big floor space & Loyalty Programs, that are of low importance for convenience stores. A summary of results reveal that all the strategy dimensions are of high importance for department stores. Whereas, for Hypermarkets and Specialty Stores, they are either High or moderately important. There are only two strategy items i.e., Big floor space & Loyalty Programs, that are of low importance for convenience stores. The basic objective of all these organizations is to profitably serve and satisfy the consumers. But they pursue this goal in different ways owing to the differences in their Marketing Mix. All these Retailers have been studied on similar parameters & dimensions and the results reveal that they show difference in their behaviour depending upon the category of retail formats they follow. Although the hypothesis were framed based on the review of literature, regarding the different importance that these retailers attach to these Parameters, the study resulted in quite different outcomes. There are two possible conclusions of the outcomes; (a) We need to further verify and validate the data using a larger sample size; and (b) The literature that is available is generally from international writers and hence this strategic choice can be valid from the point of view of the western customers, which is not the case with the Indian consumers. Every retailer or business on the whole follow a business model as such that it successfully fulfils the needs of its customers. Every country is different and so are its people. Indian consumers are different from other countries, and hence the reason for these conclusions can be justified based on this logic. Thus this study throws a lot of light on the retail sector with special reference to the Indian retail sector.

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