This paper is based on the empirical research in seventeen outlets of four Organised Retailers in Pune India. The profitability indicators of four Organized Retailers are compared with the national benchmark of retail profitability. The Customer Satisfaction Index of these outlets is then compared with the profitability indicators. The analysis of the data is used to formulate the Marketing Strategies to balance the customer satisfaction against retail profitability. Suggestion related to rationalization of certain profitability indicators such as Lease Rentals, Foot Falls, Conversions, Ticket size etc. are given to complement the Marketing Strategies for better Customer Satisfaction Index.

Keywords: Organised Retailing, Retail Profitability Indicators, National Benchmark, Customer Satisfaction Index

1. Introduction

1.1 Preface

India is rapidly emerging as one of the top most retail destinations in the world. This largest emerging economy is viewing Organised Retail Sector as one of the fast growing sunrise sectors. The Retail boom is catching up fast with new formats being established in very short span. The organized retail penetration in India is on the rise.

1.2 Significance of the Study

Modern Organised Retail formats have grown rapidly in the recent past in India. However a sustainable retail business model requires financial profitability and customer satisfaction to be achieved simultaneously. Hence it was decided to compare profitability indicators of Pune based outlets with the national benchmarks and Customer Satisfaction Index in Pune. Based on this, the marketing strategies specific to Pune City have been suggested. The Financial Indicators selected for study were as follows.

a. Floor Area Per Department
b. Floor Space Area to Total Footfalls
c. Conversions Per Sq. Ft. Area
d. Total Footfalls To Conversion
e. Employees Per Department
f. Sales Per Employee
g. Conversions Per Employee
h. Pilferage / Shoplifting Ratios

2. The Process

2.1 Objectives

Objectives of the study were as follows;

- To identify the National Benchmark based on the available profitability indicators
- To calculate the profitability Indicators for Pune City
- To compare the National Benchmark of profitability indicators with the profitability indicators for Pune City
- To arrive at the consumer satisfaction index of outlets under study

On the basis of Profitability Indicators and consumer satisfaction index, to evolve the Marketing Strategies for Organised Retail Formats in Pune.

2.2 Methodology

The research was carried out for three segments of organized retail in Pune City, viz. Lifestyle Department Stores, Hypermarkets and Food/Grocery Retail Chains.

17 outlets out of 25 that were present, which were from these segments were selected for the research. Simultaneously, responses from consumers of these outlets were collected to explore the satisfaction levels and problems faced in shopping. Entire study was carried out in the following steps.
a. **Desk Research**

Extensive desk research was carried out to collect the data regarding various retail chains in India. The details such as number of outlets in a city, the head office, regional office, number of employees, total investments and other financial data were collected. National statistics on financial indicators were also collected from the numerous research articles and Industry Reports. The data were used to set the national benchmark for retail industry. These data were used as a basis to compare the financial profitability indicators in Pune city.

b. **Designing a Checklist and Questionnaire**

A checklist was designed to include the details such as outlet location, sq. ft. area going rate of real estates, number of employees in each section/department and items dealt in by each department. A separate questionnaire was structured for the consumer contacts to find out the store purchase behavior, shopping preferences and satisfaction levels of various sections.

c. **The Data Collection**

The data was collected through direct personal interviews and observation method. The direct personal interviews of the shop managers were carried out to find out the details such as sales turnover, shop investment and returns. The observation method was used for tracking the traffic in various departments / sections during the day. The direct interviews of the customers were conducted through a structured questionnaire. The following was the spread of contact over various outlets in Pune City.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Retail Chain</th>
<th>Store Location</th>
<th>Store Head</th>
<th>Dept. Head</th>
<th>Consumers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Big Bazar</td>
<td>Kothrud</td>
<td>1</td>
<td>4</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Fatimanagar</td>
<td></td>
<td>1</td>
<td>3</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Sinhagad Road</td>
<td></td>
<td>1</td>
<td>4</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>Shoppers Stop</td>
<td>M.G.Road</td>
<td>1</td>
<td>4</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Wakadewadi</td>
<td></td>
<td>1</td>
<td>4</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Spencers</td>
<td>Bibwewadi</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kondhwa</td>
<td>1</td>
<td>3</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kothrud</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nigdi</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pimpri</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bhandarkar Rd.</td>
<td>1</td>
<td>3</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Akurdi</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aundh</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mukund Nagar</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wanowrie</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>2</td>
<td>Westside</td>
<td>SGS Mall</td>
<td>1</td>
<td>4</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shivajinagar</td>
<td>1</td>
<td>3</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>17</td>
<td>48</td>
<td>340</td>
<td>405</td>
</tr>
</tbody>
</table>

d. **Analysis & Interpretation of the Data**

Data collected from the field was then compiled together. From the raw primary data received, financial profitability indicators were calculated separately for each outlet. These indicators were compiled together and were compared with the national benchmark worked out from the data collected during desk research stage. This data was then used to explore the profitability indicators of Pune based outlets.

Consumer Satisfaction Feedback was collected on the Semantic Differential Scale and was analyzed on the parameters such as satisfaction levels, consumer shopping preferences and their general shop choice behavior. The Consumer Satisfaction Index was arrived at, by calculating the average mean score (1=excellent and 5 = poor). Attitudes of consumers were rated on Likert scale. The attitudes were also analysed with the help of weighted mean scores (1=Strong Agreement - 2 = Strong Disagreement). This data was compared with the profitability indicators viz. floor space utilization, merchandising and category preferences for the merchandise.

The inferences from both the categories of contacts (consumers and organized retail outlets) were compiled together to suggest the marketing strategies for organised retail outlets in Pune.
3. Interface

3.1 The National Benchmark
Organised Retail Sector does not have established norms with respect to the profitability indicators. Hence the profitability indicators were compiled from the published data from various sources. The following National Benchmark was established on the basis of study of Annual Reports of the companies and Industry Reports published by various reputed organizations.

<table>
<thead>
<tr>
<th>Table 1 National Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sr. No.</strong></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>11</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher from Industry Reports and Annual Reports

3.2 Comparison of Profitability Indicators at Sample Retail Outlets in Pune with the National Benchmark

a. Lease Rentals
It is observed that the lease rentals as a percentage of Sales Revenue range between 1.98% to 19.26%. The rentals in prime locations such as Shivaji Nagar are very high. The mean score for lease rentals works out to 6.84%. This is slightly higher than the combined National Benchmark (5%).

b. Footfalls per sq. ft.
Per Sq. Ft. Footfalls at Food Retail outlets are much higher as compared to the Lifestyle Retail outlets. The mean score for Pune is 99.53. This proves that, Pune based outlets are able to attract the footfalls effectively.

c. Sales Per Footfall and Ticket Size
Mean Score for Pune City with respect to Sales Per Footfall is Rs. 105.04. As compared to the National Benchmark of Rs. 321.01, Pune City Mean Score is drastically low. Similarly Ticket Size for Pune city is Rs. 195 which is almost two thirds of the national benchmark (Rs. 425). At the same time, percentage conversions in Pune are observed to be 61.29% which are way above the national benchmark of 55%. From these observations it is clear that, conversion from footfalls to sales are very good. But they do not indicate high purchases, the amount per transaction being very small reflects on the purchasing power of conversions being on the lower side.

d. Sq. Ft. Area Utilization
Sales Per Sq. Ft. in Pune City are Rs. 9557. Compared to the National benchmark, there is very slight deviation of - 0.4% from the benchmark of Rs.10038. Sales per Sq. Ft. at food retailing is much higher as compared to the lifestyle retail outlets.

e. Shoplifting / Pilferage Ratio
Shoplifting/Pilferage Ratio at Pune is recorded to be 1.15% which is less than the national benchmark (1.86%). Pilferage ratio in various outlets ranges from 0.45% to 2%. Pilferage ratio at Food Retail is found to be higher than lifestyle retail.

f. Recurring Expenses
Recurring expenses at Pune are at 4.01%. As compared to the National Benchmark of 2.93%, they are very high. The percentage deviation from national benchmark works out to 36.45% which is very alarming. This is attributed to the high power costs and frequent power failures in Pune city.

3.3 Comparison of Profitability Indicators with the Customer Satisfaction Index
- It is observed that Footfalls per sq. ft (132.38) are highest for Food/Grocery Retail however the General Cleanliness at Food/Grocery Retail is extremely unsatisfactory. (CSI Mean Score= 2.64).
- Sales per sq. ft. are very low at Lifestyle Retail (Rs.4847) where as Merchandise display is found most satisfactory in this outlet. On the contrary consumers do not find all the products with these retailers. (Attitude Mean Score = - 0.10).
% Conversions from Footfalls are highest at Food/Grocery Retail (74.31%). The mean conversions in Pune City are also 61.29% which are more than the national benchmark of 55%. This is also supported by the consumer rating that at all the outlets in Pune, the quality of products available is very good.

At Food/Grocery Retail the conversion rate for vegetables section is 45.08% which is way below national benchmark of 55%. This is also supported by the response from consumers that they prefer to buy the vegetables from roadside vendors.

Food/Grocery Retail spends about 3% of its revenue on the promotional expenses which are same as the national benchmark. However it is observed that, the respondents do not get the information about special offers regularly. (Attitude mean score = -0.20).

Sales per Sq. Ft. at Hypermarket Formats in Pune is Rs. 5175, which is far below the national benchmark. Consumers are generally dissatisfied with the format on the count of billing system and general cleanliness. This may be one of reasons for low sales per sq. ft.

### 3.4 Hypotheses Validation

Hypotheses were validated by using suitable statistical techniques. First Three Hypotheses were validated by using Student’s ‘t’ test for difference in mean for one sample. The fourth hypothesis was validated by using Spearman’s Rank Coefficient. The results are enumerated as follows.

**Hypothesis 1**

Lease Rentals form a major portion of expense heads for organized retail. It is imperative to explore whether the lease rentals are within the allowable norms as per the national benchmark. The National Benchmark for the organized retail was taken as a base which is 4.5%. This was compared with the collective lease rentals as a percentage of sales which is 6.84%. Hence the variables can be defined as

**This hypothesis is Statistically Stated as,**

**Lease Rentals as a Percentage of Sales Revenue in Pune is same as the National Benchmark**

**H0:** There is no difference between Lease Rentals as a Percentage of Sales Revenue in Pune and National Benchmark for Lease Rentals as a percentage of Sales  

**H1:** There is difference between Lease Rentals as a percentage of Sales Revenue in Pune and National Benchmark for Lease Rentals as a Percentage of sales.

**Test Statistics**

**Student’s “t” test for difference in mean for one sample**

The following formula was used to arrive at calculated “t”.

\[
    t \text{ calculated} = \frac{\bar{X} - \mu}{s / \sqrt{n}}
\]

As the sample size was 17 (less than 30) and the variable lease rental was measured on interval scale, “t” test was thought to be the most appropriate test.

\[
    V_1 = 4.5\% \quad V_2 = 6.84\% \quad \text{Tabulated Value } \alpha = 0.05
\]

**Statistical Calculation**

<table>
<thead>
<tr>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease Rental to revenue</td>
<td>17</td>
<td>6.8432860</td>
<td>6.18403229</td>
</tr>
</tbody>
</table>

**One-Sample Test**

<p>| Test Value = 4.5 |
|---|---|---|---|---|</p>
<table>
<thead>
<tr>
<th>t</th>
<th>Df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>---</td>
<td>---</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Lease Rental to Revenue</td>
<td>1.562</td>
<td>16</td>
<td>0.138</td>
<td>2.34328597</td>
</tr>
</tbody>
</table>

**Observation**

\[
    t = 1.562
\]

For \( \alpha = 0.05 \), with 16 df with p value 0.138.
Inference
As p is greater than 0.05 we accept H0, there is no significant difference between % lease rental in Pune and National Benchmark of 4.5%.

Conclusion
Hence it can be concluded that though the Lease Rentals at Pune are higher than the National Benchmark, they are not significantly high. Hence they do not affect the profitability of the store to a great extent. The lease rentals in Pune city are under control.

Hypothesis 2
Since the success of any organized retail store depends upon the ratio of conversions from the footfalls, it was found important to explore whether conversions at organized retail outlets in Pune are significantly higher than the National benchmark. The National Benchmark for organized retail outlets is 55%. This was taken as a base for the analysis. The conversions as a percentage of total footfalls in Pune city are 61.29%. It was found necessary to test whether Conversions in Pune city are significantly high as compared to the national benchmark.

This hypothesis is statistically stated as,

- Conversions as a Percentage of Total Footfalls in Pune are more than the National Benchmark

H0: There is difference between Conversions as a percentage of total footfalls in Pune and National Benchmark
H1: There is no difference between Conversions as a percentage of total footfalls in Pune and National Benchmark

Test Statistics
Student’s “t” Test for Difference in Mean for One Sample
The following formula was used to arrive at calculated “t”.

\[ t = \frac{\bar{x} - \mu}{\frac{s}{\sqrt{n}}} \]

As the sample size was 17 (less than 30) and the variable % conversion was measured on interval scale, “t” test was thought to be most appropriate test.

\[ \bar{x}_1 = 55\% \quad \bar{x}_2 = 61.29\% \quad \text{Tabulated Value } \alpha = 0.05 \]

Statistical Calculation

<table>
<thead>
<tr>
<th>One-Sample Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>% Conversions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>One-Sample Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test Value = 55</td>
</tr>
<tr>
<td>t</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>% Conversions</td>
</tr>
</tbody>
</table>

Observation
\( t = 1.296 \)
For \( \alpha = 0.05 \) with 16 df with p value 0.213

Inference
As p is greater than 0.05 we accept H0. There is significant difference between conversions as a percentage of Total Footfalls in Pune and National Benchmark of 55%.

Conclusion
Hence it can be concluded that the conversions as a percentage of Total Footfalls are not significantly higher than the National Benchmark. Pune based retail outlets will need consistent innovative strategies to attract customers and aim at better conversions.
Hypothesis 3
Recurring expenses are also important expenses for affecting profitability of the retail outlets. Since these are recurring costs, it is important to keep them under control. Hence it was found essential to establish whether the recurring expenses as a percentage of sales revenue are significantly higher or significantly lower than the national Benchmark. The National Benchmark for recurring expenses as a percentage of sales revenue is 2.94%. Recurring Expenses as a percentage of sales revenue at organized retail outlets in Pune is observed to be 4.008%. Hence it was important to understand whether Recurring Expenses at Pune are drastically higher than the National Benchmark.

This hypothesis is statistically stated as,

- **Recurring Expenses as a Percentage of Sales Revenue in Pune are Same as National Benchmark.**

**H0:** Recurring Expenses as a percentage of sales revenue in Pune are same as National Benchmark  
**H1:** Recurring Expenses as a percentage of sales revenue in Pune are higher than the National Benchmark

**Test Statistics**  
**Student’s “t” test for difference in mean for one sample**  
The following formula was used to arrive at calculated “t”.

\[ t \text{ calculated} = \frac{\bar{X} - \mu}{\sigma / \sqrt{n}} \]

As the sample size was 17 (less than 30) and the variable recurring expenses were measured on interval scale, “t” test was thought to be most appropriate test.

\[ V_1 = 2.94\% \quad V_2 = 4.008\% \]

**Statistical Calculation**

<table>
<thead>
<tr>
<th>Recurring Expenses</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17</td>
<td>4.0088235</td>
<td>1.34143991</td>
<td>.32534697</td>
</tr>
</tbody>
</table>

**One-Sample Test**

<table>
<thead>
<tr>
<th></th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Upper</td>
</tr>
<tr>
<td>Recurring Expenses</td>
<td>3.285</td>
<td>16</td>
<td>.005</td>
<td>1.06882353</td>
<td>.3791188</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.7585283</td>
</tr>
</tbody>
</table>

**Observation**

\[ t = 3.285 \]

For \( \alpha = 0.05 \), with 16 df with p value 0.005

**Inference**

As \( p \) is less than 0.005 we reject H0. There is significant difference between recurring expenses in Pune and National Benchmark of 2.94%.

**Conclusion**

From the above analysis it is clear that, Recurring expenses at organized retail outlets in Pune are radically higher than the National Benchmark. This is primarily due to the electricity expenses being on the higher side contributed by the frequent power failures in the city.

**Hypothesis 4**

Shoppers at all the retail outlets selected for study were contacted to analyze the shopping behavior and attitude. The attitude towards Discount Sale was rated on a Likert Scale. The following statements were rated by the respondents on a five point rated scale indicating the degree of agreement or disagreement towards the statement.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Variable</th>
</tr>
</thead>
</table>
I visit this outlet only when the sale is announced  $V_1$

The prices of products are inflated and then discounted during the sale  $V_2$

As the variables, $V_1$ and $V_2$ are discrete variables measured on an ordinal scale; Spearman’s Rank Correlation Coefficient was thought to be the most appropriate statistical test.

This hypothesis is statistically stated as,

- **Seasonal Sale is Found Beneficial by the Consumers**
  
  H0: There is positive correlation between $V_1$ and $V_2$
  
  H1: There is no correlation between $V_1$ and $V_2$

**Test Statistics**

**Nonparametric Correlations**

**Spearman’s Correlation Coefficient**

<table>
<thead>
<tr>
<th>Agree that The prices of products are inflated and then discounted during the sale</th>
<th>Spearman's rho</th>
<th>Correlation Coefficient</th>
<th>Agree that I visit this outlet only when the sale is announced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree that You get inferior quality products during the sale</td>
<td>Spearman's Correlation Coefficient</td>
<td>0.145(**)</td>
<td>0.007</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td>340</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>340</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Observation**

Spearman’s Correlation Coefficient

Rho = 0.145 with p value 0.007

0.145 > 0.01

There is positive correlation between $V_1$ and $V_2$. Hence H0 is accepted. It is inferred that consumers visit the outlet during sale in spite of knowing that prices of products are inflated and then discounted during the sale.

**Inference**

This is an important observation from the point of view of organised retailers in Pune. Though discount sale is a good marketing tool to attract the footfalls, the consumers are well aware about the prices being inflated and then discounted during sale.

The retailers need to work on this image to remove the stigma about sale in consumer minds.

Positive aspect of this analysis is that in spite of knowing that most of the discount sale offers are attention grabbers, the consumers still visit the outlets during discount sale.

4. **The Wrap Up**

4.1 **Conclusion**

- Lease Rentals are not significantly high as compared to the National Benchmark. This is a good indicator for Pune based outlets. Though Shoppers’ Stop and Westside have very high lease rentals the other outlet set off for the same.
- % Conversions are significantly high as compared to the National Benchmark. This is a good indication. However these conversions are not able to exhibit good Ticket size. Pune being medium sized City, the Sales per transaction are on the lower side.
- Recurring expenses are significantly high as compared to the national benchmark. Electricity expenses are very high and need to be brought under control.
- Shoplifting and Pilferage Ratio is very low at Shoppers’ Stop. Billing Accuracy and Time is also found more satisfactory by the consumers as compared to the other outlets.
- Ticket Size at Westside is higher than the other outlets. Similarly, Consumers have positive attitude towards the
availability of items at Westside. Merchandise is also reasonably priced in Westside according to the consumers.

- Though Sales Promotion Expenses at Big Bazar are on the lower side, consumers are aware of the Promotion Schemes launched by the retailers from time to time.
- Sq. Ft. per employee is rather high for Spencer’s as compared to the National Benchmark. At the same time 14% of the consumers feel that Staff Attitude and Efficiency needs improvement. Satisfaction Score for Assistance from Staff for Spencer’s is also not very satisfactory.

4.2 Suggestions
Based on the analysis and interpretation of desk research and field observations, it is clear that, Profitability Indicators in Pune city are representative of National Benchmark. However in the recent past some new entrants have withdrawn from the market. There still is skepticism about sustainability of retailers in smaller cities. Though the retail boom is on the horizon, local strategies to attract the footfalls need to be devised.

- **Lease Rentals**
  Pune being one of the cities where Real Estate Rates are sky rocketing, there is a need to devise strategies to reduce the burden of lease rentals. Retailers need to forecast the needs of retail space in the forthcoming period and book the space in advance to save on the lease rentals. Upcoming areas need to be scanned in advance so that the retail space can be acquired at cheaper rates. Location Studies at micro level in the vicinity of Pune city need to be conducted. The upcoming areas where public infrastructure is being developed need to be searched and identified. Theses upcoming areas should be earmarked at an early stage to negotiate on the lease rentals.

- **Footfalls**
  Footfalls per sq. ft. are way above the national benchmark in Pune. However there is a need to spread these footfalls evenly over all days of the week and all hours of the day. The strategies such as happy hour purchase, quick pickups should be used to divert some footfalls to non busy hours. This will reduce the burden on infrastructure in busy hours and will result in better service and better satisfaction levels. Pune typically enjoys staggered weekends depending on the industry sectors. Thursday being the industrial weekly holiday, Saturday and Sunday are the normal weekly holidays for other sectors. All days of the week and long hours of the day need to be made attractive for consumers to spread the footfalls evenly. Consumer analysis of shopping behavior will be required to be observed on continuous basis for making every moment of the day attractive.

- **Conversions**
  Conversions as a proportion of footfalls (61.29%) are greater than the benchmark of 55%. Continuous feedback about shopping experience and loyalty programs should be introduced to keep the conversions high. With reference to the wheel of retailing the conversions are at peak when the outlet is new. As soon as the novelty factor diminishes, conversions also suffer. Pune is at the innovation stage of wheel of retailing. Continuous innovations are promoting the novelty factors due to which conversions are on the higher side. However to keep these conversions high, special efforts will be required in the long run. Exchange offers, Loyalty discounts and professional cross sectional tie ups will be key to maintain the conversion percentages high.

- **Ticket Size**
  It is observed that the ticket size is on the lower side as compared to the National Benchmark in Pune city. This can be attributed to the non storage approach and skepticism about the merchandise selection. Though Pune is growing rapidly into a midsized metro, the consumers still demonstrate the unadventurous attitude. They do not easily correlated to buying in bulk or buying in anticipation of price hikes. The retail outlets need to be more aggressive about bulk discounts and benefits attached to buying in bulk. The transaction size for the outlet also depends on the purchasing power of the consumer segments served. If the range of merchandise offered can cater to the requirements of the entire family the transaction size will automatically rise.

5. References

**Books**

**Journals and Periodicals**


Reports


