

Impact of Organized Retail on the Economy of Madhya Pradesh

Mukesh Chansoriya, Neha Pachori

Abstract: Purpose of this study is to check the effect of opening of the organized retail stores on the unorganized retail, farmers and consumer. Another objective of my study is to find that how much the economy of Madhya Pradesh, affected by growing of retail sector. The study revealed the changing patterns of the Indian retail industry with special reference to Madhya Pradesh as well as understands the impact of organized retail on the consumption or shopping habits of the consumer in the state of Madhya Pradesh the scope of the study is for new retailer, who wants to invest in retail sector. This study helps to government, as from this study govt. know the growth of retail sector and encourage the investment in this sector, which helps in economic growth. The data is collected through the help of questioner filled from retailers as well as customers. The statistical tools i.e. mean median, std. deviation, regression, kurtosis, skewness used for the evaluation purpose. The study revealed that the Madhya Pradesh retail sector is changing now many retail investor open their retail store and running successfully and some other big players are ready to invest in the retail sector in Madhya Pradesh and the future of organized retail is quite good in big cities but in the cities cognized retail not successful to gain moment.

Keywords: Retail, Economy, Madhya Pradesh, Organized and Unorganized, Perception.

I. INTRODUCTION

Retail trade includes the sale of goods or commodities, such as the location of a particular department store, boutique or kiosk, or by mail, separately or in small lots directly to the consumer to use may be subject to retail services such as delivery. Contracting authorities may be individuals or companies. Trade, 'store' purchases of goods or products in large quantities by manufacturers or importers, either directly or through a wholesaler, sells smaller quantities to end users. Businesses are often in shops or stores.

Partner and Head of the Media Council and Saturn Holding Co., Ltd., Ingolstadt. The media, and Saturn is 75%, which is a subsidiary of MRT, which is Two series of consumer electronics - a market and media, which he co-founded by Stiefel Munich in 1979, and Saturn Hansa Handels GMA ABC, which was obtained by Held in a media in a supermarket in 1990. Stiefel, under the guidance of the media Saturn team has become the largest European distributors of net sales rose to more than 19 billion euros in 2008. In 2006, Leopold Stiefel decided to resign from active management. In his official capacity. management. In his official capacity.

Revised Version Manuscript Received on 08 June 2019.

Dr. Mukesh Chansoriya, Professor & Director, Lakshmi Narain College of Technology-MBA, Bhopal (M.P), India.

Ms. Neha Pachori, Assistant Professor, Sagar Institute of Research & Technology (SIRT), MBA, Bhopal (M.P), India.

The Indian retail market, which is the fifth largest retail destination globally, has been ranked as the most attractive emerging market for investment in the retail sector by AT Kearney's eighth annual Global Retail Development Index (GRDI), in 2009A McKinsey report 'The rise of Indian Consumer Market', estimates that the Indian consumer market is likely to grow four times by 2025. Commercial real estate services company, CB Richard Ellis' findings state that India's retail market is currently valued at US\$ 511 billion.

With the highest per capita income in the country, that is nearly three-and-a-half times the all- India average, an excellent infrastructure to promote new industries and support the existing ones, coupled with high percentage of employment, Madhya Pradesh stands second to none in fast becoming a favored destination for the retail industry. This state provides a grand opportunity to all the retailers at large to exploit its huge consumption potential.

Unlike other states, growth of consumption in Madhya Pradesh gets equal support from the urban as well Madhya Pradesh gets equal support from the urban as well rural consumers and this unique feature indicates an immense potential for organized retail, as the choice for second-tier cities and semi-urban and rural towns of Madhya Pradesh that represent a goldmine of opportunity for the 27retailers. The big cities of Jabalpur, Bhopal Indore, Gwalior, Sagar and Rewa also provide ample opportunity for growth As large retailers, Indian or global, get in to food retailing business there will be huge investments in supply chain logistics, processing, cold chains and contract farming in this state. Reliance is planning for a mega foray into the farm and dairy sector to strengthen its food retailing arm and creating organized base for agriculture and milk produces. Corporate Houses like the Piramals, the Tata, the Rahejas, ITC, Godrej, S.Kumar's, RPG Enterprises, and The Future Group (formerly PRIL) with their mega retail chains Crosswords, Shopper's Stop, Pantaloon, Piramyd, etc., have already announced major plans to liven up the retail sector in Madhya Pradesh. Fast-food retailer McDonald's, for instance, has invested over US\$ 175 million in building its back end logistics and set benchmarks in farming, processing, distribution and retail. Once the systems are in place and the global players build confidence they would be inclined to source from India for the international markets as well.

II. OBJECTIVE OF THE S TUDY

1. To observe the changing patterns of the Indian retail industry with special reference to Madhya Pradesh.
2. To find out the impact of organized retail on unorganized retailer of Madhya Pradesh
3. To understand the impact of organized retail on the consumption or shopping habits



Impact of Organized Retail on the Economy of Madhya Pradesh

of the consumer in the state of Madhya Pradesh

III. REVIEW OF LITRATURE

Not much literature seems to be available on individual reasons of the growth and development of the retail sector. Reardon et al. (2003), (Hu et al. 2004), (Mutebi, 2007), (Reardon and Hopkins, 2006; Reardon and Berdegue, 2007) have done the research individually and (CAIT 2007), Global Retail Development Index (2005, 2006, and 2007), (Deloitte- Stores Report, 2007), (ICICI Property Services-Technopak Advisers Pvt. Ltd., 2007). (NRFSTE, 2008), (outlook2008). and (KPMG2009).are the research organizations that examine the retail sector.

(CAIT 2007), (Deloitte- Stores Report, 2007), (Reardon and Hopkins, 2006; Reardon and Berdegue, 2007) examine the internationalization of retail sector. Global Retail Development Index (2005, 2006, and 2007) studied the ranking of the countries in retail business. (Mutebi, 2007) evaluates the retail sector in Southeast Asia (Malaysia, Indonesia, and Thailand). (ICICI Property Services-Technopak Advisers Pvt. Ltd., 2007) reports shows the growth of retail in the Indian context. (Hu et al. 2004) examine the Chinese retail sector. Reardon et al. (2003) studied the demand side factors as well the policies impact on retail. (NRFSTE, 2008) report deals with the Indian small retail sectors. (KPMG2009) report studies the growth of indian retail sector. (outlook2008) report shows the impact of multi brand retailing India. (CAIT 2007) report reveals the impact of big giants of retail on the small retailers.

Researchers have studied the growth of the retail in the different countries as well as the impact of the big retail giants on the small retailers. However, not much research has been undertaken on the level of success achieved by the retail companies in the case of Indian market, and reasons thereof. The present study will investigate the said reasons with respect to the companies working in Indian market.

IV. RESEARCH METHODOLOGY

The sampling technique used in this study is probability and non probability. It is a hybrid technique in which both probability and non probability includes.

Following tools are used for Analysis of data: - The mean is a particularly informative measure of the "central tendency" of the variable if it is reported along with its confidence intervals.

$$\text{Mean} = (\sum X_i)/n$$

Usually we are interested in statistics (such as the mean) from our sample only to the extent to which they can infer information about the population. The confidence intervals for the mean give us a range of values around the mean where we expect the "true" (population) mean is located (with a given level of certainty).

The standard deviation is a commonly used measure of variation. The standard deviation of a population of values is computed as:

$$s = \sqrt{[S(x_i - m)^2 / N]}$$
 where m is the population mean and N is the population size

The sample estimate of the population standard deviation is computed as:

$$s = \sqrt{[S(x_i - \bar{x})^2 / (n-1)]^{1/2}}$$

where \bar{x} is the sample mean and n is the sample size

The variance of a population of values is computed as:

$$s^2 = S(x_i - m)^2 / N$$

where

m is the population mean and N is the population size The unbiased sample estimate of the population

standard deviation is computed as:

$$s = \sqrt{[S(x_i - \bar{x})^2 / (n-1)]^{1/2}}$$

where

\bar{x} is the sample mean and n is the sample size

Skewness measures the deviation of the distribution from symmetry. If the skewness is clearly different from 0, then that distribution is asymmetrical, while normal distributions are perfectly symmetrical.

$$\text{Skewness} = n * M_3 / [(n-1) * (n-2) * s^3]$$
 where

M_3 is equal to: $S(x - \text{Mean})^3$

S^3 is the standard deviation (sigma) raised to the third power

N is the valid number of cases.

M is equal to: $S(x - \text{Mean})^3$

S^3 is the standard deviation (sigma) raised to the third power

n is the valid number of cases.

Kurtosis measures the "peakedness" of a distribution. If the kurtosis is clearly different than 0, then the distribution is either flatter or more peaked than normal; the kurtosis of the normal distribution is 0. Kurtosis is computed as:

$$\text{Kurtosis} = [n * (n+1) * M_4 - 3 * M_2 * M_2 * (n-1)] / [(n-1) * (n-2) * (n-3) * s^4]$$

where: M is equal to: $S(x_i - \text{Mean}_x)^j$

n is the valid number of cases

s^4 is the standard deviation (sigma) raised to the fourth power

The general purpose of multiple regression is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable.

A line in a two-dimensional or two-variable space is defined by the equation $Y = a + b * X$; in full text, the Y variable can be expressed in terms of a constant (a) and a slope (b) times the X variable. The constant is also referred to as the intercept, and the slope as the regression coefficient or B coefficient. Multiple regression procedures will estimate a linear equation of the form: $Y = a + b_1 * X_1 + b_2 * X_2 + \dots + b_p * X_p$

The regression line expresses the best prediction of the dependent variable (Y), given the independent variables (X). However, nature is rarely (if ever) perfectly predictable, and usually there is substantial variation of the observed points around the fitted regression line. The deviation of a particular point from the regression line (its predicted value) is called the residual value.

The standardized residual value is the observed minus predicted divided by the square root of the residual mean square.

Cook's Distance is another measure of impact of the respective case on the regression equation. It indicates



the difference between the computed B values and the values one would have obtained, had the respective case been excluded. All distances should be of about equal magnitude; if not, then there is reason to believe that the respective case(s) biased the estimation of the regression coefficients.

Further, chi square test used for check the feasibility of the variables. Chi-square is a statistical test commonly used to compare observed data with data we would expect to obtain according to a specific hypothesis. For example, if, according to Mendel's laws, you expected 10 of 20 offspring from a cross to be male and the actual observed number was 8 males, then you might want to know about the "goodness to fit" between the observed and expected. Were the deviations (differences between observed and expected) the result of chance, or were they due to other factors. How much deviation can occur before you, the investigator, must conclude that something other than chance is at work, causing the observed to differ from the expected. The chi-square test is always testing what scientists call the null hypothesis, which states that there is no significant difference between the expected and observed result. Chi-square is the sum of the squared difference between observed (o) and the expected (e) data (or the deviation, d), divided by the expected data in all possible categories.

V. FINDINGS

Retailer s mean median and standard deviation

Table 1

Variable	Mean	Median	Standard deviation
Sales	2.46428571	3	1.29048205
Technology	2.78571429	2.5	1.19743995
Attract	2.78571429	3	1.19743995
Franchise	2.67857143	3	1.15641757
Funds	3.25	3.5	1.10972135
Recession	3.0351429	3	1.31886997
Hand made product	3.42857143	3	1.03381965

We given the numbers to the five option as-1-strongly disagree, 2-disagree ,3-neutral ,4-agree ,5-strongly agree. Now from table the opinion of retailers that their sales is effected due to organized retail is neutral in the case of mean and the opinion in the case of median is also neutral 3.in the case of technology upgrading the mean is 2.78 and median is 2.5 that are neutral. In the case of attract costumer the mean is 2.78 and the median is 3 so the respondent opinion is neutral in both mean and median .The mean and median of franchise is near about 3 in this case the respondents opinion is also neutral .As we see that the average of mean of funds, recession, and hand made products is 3.25,3.03,3.42 .And the median is 3.5,3,3.In the case of these variables respondents are agreed.

If the standard deviation is more then it means there is more variance from the mean. In above table the maximum standard deviation is the case of recession variable and the minimum standard deviation is in the case of handmade product.

Table 2

ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	.001	1	.001	.001	.979 ^a
Residual	38.713	26	1.489		
Total	38.714	27			

a. Predictors: (Constant), sales

b. Dependent Variable: technology

The following anova shows the regressions sum of square is .001,df 1,Mean square .001,f .001, sig .979 the residual represent sum of square 38.713, df 26, 1.489.the total shows the sum of square is 38.714,df 27.

Table 3

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.797	.504		5.548	.000
	sales	-.005	.182	-.005	-.026	.979

a. Dependent Variable: technology

standardized error .182 the standard coefficient beta is-.005

The anova coefficient shows unstandardized coefficient beta is-.005 and unstandardized

Table 4

ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	3.089	1	3.089	2.255	.145 ^a
Residual	35.625	26	1.370		
Total	38.714	27			

a. Predictors: (Constant), sales

b. Dependent Variable: attract

The anova table show the regression ,residual and total. Regression in which the some of the square is 3.089 .df is 1,mean square is 3.089. and f is2.255 . sig .145.and the residual in which the sum of the square is 35.625 ,df is 26,and mean square is1.370. and the total represent the sum of the square is 38.714 ,df 27



Impact of Organized Retail on the Economy of Madhya Pradesh

Table 5

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.140	.484		4.424	.000
sales	.262	.175	.282	1.502	.145

a. Dependent Variable: attract

The coefficients of ANOVA represent unstandardized coefficient beta, unstandardized 99 coefficients standard error, standardized coefficients beta. the model represent sales in which unstandardized coefficient beta is .262 and unstandardized coefficient standardized error is .175. And standardized coefficient beta is .282.

Table 6

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.106	1	.106	.076	.785 ^a
	Residual	36.002	26	1.385		
	Total	36.107	27			

a. Predictors: (Constant), sales

b. Dependent Variable: franchise

The ANOVA table represent regression sum of square is .106, df square .106, f .076 and sig .785. the residuals sum of square is 36.002, df 26, mean square 1.385, f .76, sig .785. And total shows the sum of square 36.107, f 27.

Table 7

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.559	.486		5.263	.000
Sales	.048	.175	.054	.276	.785

a. Dependent Variable: ranchise

The unstandardized coefficient beta is .048. and unstandardized coefficients standard error is .175. and the standardized coefficient betas .054.

Chi Square Test

Table 8

Variables	Chi-square	Asymptotic significant
Sales	9.500	.050
Technology	7.714	.103
Franchise	7.357	.188
Recession	2.357	.670
Handmade product	1.429	.699

Funds	11.286	.024
Attract	5.214	.266

The above table 8 shows that the sales of chi-square is significant at .050 it shows positive significance. In Table the chi square value and asymptotic significant value is shown .when the asymptotic significant value is less than 0.05 (<0.05) then there is low variance, it means our sample is a good sample for generalized the result to whole universe. If the value of asymptotic significant is more than 0.05 (>0.05) then the data is too much vary and result cannot be generalized to the whole universe.

In the table the asymptotic value of sales .050 which is significant in the above table only one value of variable funds .024 is below .050 which is good but the value of other variables are above .050 those are not significant that is why the result cannot be commerslized to the whole universe.

Regression test (consumers)

Table 9

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.976	3	.992	.753	.525 ^a
	Residual	86.967	66	1.318		
	Total	89.943	69			

a. Predictors: (Constant), enjoyable, prices, lifestyle

b. Dependent Variable: spending



In above table out of 89.943. 2.976 reasons for enjoyable, prices and lifestyle and 86.967 reasons are others for spending.

Table 10

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.107	.685		3.074	.003
	Prices	.190	.142	.164	1.338	.186
	lifestyle	.066	.126	.066	.524	.602
	enjoyable	-.010	.142	-.009	-.073	.942

a. Dependent Variable: spending

The coefficients of ANOVA represent unstandardized coefficient beta are prices of .190.

And Unstandardized coefficients standard error.142.standardized coefficients beta.164. In the another case Of variable lifestyle the unstandardized coefficient beta .066 which is less unstandardized coefficient standard beta of prices. And unstandardized coefficient std error is .126.and standardized coefficient beta is .066.the enjoyable shows the both unstandardized coefficient beta and standardized coefficient beta are negative .But it shows positive unstandardized coefficient std error.

Table 11

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.234	4	3.808	2.999	.025 ^a
	Residual	82.552	65	1.270		
	Total	97.786	69			

a. Predictors: (Constant), huge saving, spending, farmers benefits, employment
b. Dependent Variable: economic growth

In the above table out of 97.786. 15.234 reasons for huge saving, spending, farmers benefits and employment 82.552 reasons are others for economic growth.

Table 12

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.956	.692		1.382	.172
	Spending	.117	.124	.112	.937	.352
	Employment	.214	.126	.211	1.701	.094
	farmers benefits	.214	.133	.190	1.609	.113
	huge saving	.163	.125	.165	1.306	.196

a. Dependent Variable: economic growth

The coefficients model represent unstandardized coefficient beta of variable spending is.117, unstandardized coefficients standard error .124, standardized coefficients beta .112. and in of variable employment the coefficient shows the positive and

highest unstandardized coefficient beta unstandardized coefficient standard error and standard coefficient beta. And the variable farmers benefit also shows positive unstandardized coefficient beta and positive unstandardized coefficient standard error. The huge saving also represent positive unstandardized coefficient beta and unstandardized coefficient standard error.

Table 13

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.046	1	5.046	5.196	.026 ^a
	Residual	66.039	68	.971		
	Total	71.086	69			

a. Predictors: (Constant), lifestyle
b. Dependent Variable: enjoyable

Table 14

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.352	.354		6.637	.000
	Lifestyle	.237	.104	.266	2.279	.026

a. Dependent Variable: enjoyable

The coefficients of ANOVA represent unstandardized coefficient beta, unstandardized coefficients standard error, standardized coefficients beta. The model represent the life style in which unstandardized coefficient beta .237, unstandardized coefficient standard error .104 and standard coefficient .266.

Table 15

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.296	1	2.296	1.462	.231 ^a
	Residual	106.789	68	1.570		
	Total	109.086	69			

a. Predictors: (Constant), spending

In above table out of 109.086. 2.296 reasons for spending and 106.789 reasons are others for more b. Dependent Variable: more tense



Impact of Organized Retail on the Economy of Madhya Pradesh

Table 16

Variable	spending	employment	Economic growth	farmers benefits	prices	huge saving	lifestyle	enjoyable	more tense
Spending	1.000000	0.210389	0.121863	-0.058501	0.170295	-0.141746	0.082664	0.027871	0.145088
Employment	0.210389	1.000000	0.278108	-0.020051	0.235538	0.288486	0.322653	0.231450	-0.261349
Economic growth	0.121863	0.278108	1.000000	0.218647	0.358816	0.255255	0.296538	0.123369	-0.031813
Farmers benefits	-0.058501	-0.020051	0.218647	1.000000	0.055903	0.240948	0.167906	0.019354	0.148425
Prices	0.170295	0.235538	0.358816	0.055903	1.000000	0.085738	0.116212	0.118997	-0.044516
huge saving	-0.141746	0.288486	0.255255	0.240948	0.085738	1.000000	0.308644	0.234075	-0.160203
Lifestyle	0.082664	0.322653	0.296538	0.167906	0.116212	0.308644	1.000000	0.266436	-0.336334
Enjoyable	0.027871	0.231450	0.123369	0.019354	0.118997	0.234075	0.266436	1.000000	-0.266703
more tense	0.145088	-0.261349	-0.031813	0.148425	-0.044516	-0.160203	-0.336334	-0.266703	1.000000

Above table 17 shows the correlation between a correlation in yellow boxes. Blue boxes shows the single variable with the others variables. When the perfect correlation in remaining boxes there is low and there is perfect correlation between the variables. In these correlation shows that what is relation of above table we can see the positive and good one with the other variable, mean how much they correlate with each other as shown in above table.

Chi Square Test

The chi-square is significant at 0.050 it shows positive significance in the table the chi square value and asymptotic significant value is shown when the asymptotic significant value is less than 0.05 (<0.05) then there is low variance, it means our sample is a good sample for generalized the result to whole universe. If the value of asymptotic significant is more than 0.05 (>0.05) then the data is too much vary and result cannot be generalized to the whole universe.

Variable	Chi square	Asymptotic significant
Spending	16.571	.002
Economic growth	39.000	.000
Farmers benefit	13.143	.011
Life style	11.143	.003
Prices	25.429	.000
Huge saving	32.714	.025
Enjoyable	24.286	.000
More tense	16.286	.003

above In the table the asymptotic values of all the variables is less than .050 which is significant in the asymptotic values are less than 0.05. so we can generalize to the whole universe.

VI. CONCLUSION

To summarized in end the patterns of Madhya Pradesh retail sector is changing now many retail investor open their retail store and running successfully and some other big players are ready to invest in the retail sector in Madhya Pradesh and the future of organized retail is quite good in big cities but in the cities cognized retail not successful to gain moment.

And the second thing come out of research that the unorganized retail is not much effected by organized retail there is only 4% unorganized retailer are effected due to the opening of organized retail stores but now with this competition the unorganized their operations.

And the third thing according to the study consumption behavior of the consumer is not much changed due to opening of organized retail but people get the day to consumption things in a better and managed way.

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