Investigating Consumer Perception of Western Retail Models in Bangalore, India: An Explorative Study on Concept Stores

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Abstract

The purpose of this study is to investigate the attributes influencing the attractiveness of a Concept Store combining a Bar in a Boutique, in the city of Bangalore. Bangalore is a key shopping destination and the "Pub Capital" of India. It is ranked as the second most affluent city in India based on lifestyle and consumption patterns. Charmed by modernity, today's Indian consumers welcome innovation, creativity and unconventionality. Western retail concepts, such as Shopping Malls and Luxury Brand Flagship Stores, have been successfully adapted and introduced to the Indian market and new opportunities are unfolding for the retail sector as well as for a further development of the social drinking culture. Thus, this research examines the opportunity of launching the western model of the hybrid Boutiques in this constantly evolving context. Hence, the study explores the perception and the potential reception of the particular retail format of a Boutique-Bar in Bangalore.

A quantitative research method was used in this study. A survey was administered to a population sample of female respondents, aged over 21, with above average disposable income.

A majority of the respondents gave a positive response towards the distinct marketing-mix of the Boutique-Bar, especially concerning the product, the price and the place strategy. Also, most of them agreed that the above original elements are significant drivers to appreciate this destination over the existing options. As it was expected, the successful western concept could emerge as a unique and valuable shopping experience also in Bangalore. However, further research also based on

psychographic factors of the target audience might further elaborate on consumer behaviour.

Keywords: Retail, Shopping Experience, Concept Store, Social Drinking, Bangalore, India

Introduction

Exposure from television, cinema and travel has changed the culture and lifestyle of the Indian consumer (Isaac 2012). Krafft and Mantrala (2010) found that 48% of shoppers in India admit that they would love to try new things, demonstrating to be the most novelty-seeking consumers in all of Asia Pacific region. Charmed by modernity, today's Indian consumers welcome innovation, creativity and unconventionality (Technopak 2011).

Indian retail market is evolving, inspired by the changes occurring mainly in the American and European markets. Indian consumers have already demonstrated to welcome several Western retail concepts that were incorporated in the metropolitan cities of India. Higher spending power has allowed more people to enjoy lifestyle products and destination and to look beyond traditional retail formats (Singh and Tripathi 2012). It's likely that other western retail formats have the potential to be implemented to offer enhanced immersive shopping experiences.

New retail formats, such as Concept Stores that integrate apparel, homeware, bookstore and restaurants under a consistent brand personality and visual merchandising, have proven to be successful in Western countries, providing a good example of innovation and unconventionality in retail (Popescu and Popa 2012).

The format of the Concept Store has not yet been explored in India but seems to have scope to flourish, especially with the F&B industry also on a rise.

This paper aims to provide an overview of the Fashion and F&B retail industry in India, focusing on the evolution of this sector, in terms of consumer preferences and marketing mix. Hence it attempts to verify whether the specific marketing mix of the Concept Store based on the combination of a Boutique and a Bar might be attractive and valuable for the Indian "Novelty-seeker" consumers.

Retail Scenario in India

Evolution of Fashion retailing

The retail industry in India is largely unstructured and mainly consists of small family-owned retail formats. However, retail has become the largest contributing industry to the country's GDP. India has over 15 million retail outlets and more than 80% of them are run as small-scale enterprises (Bhatia 2008).

Until the '80s, Indian retail was completely unorganised and regionally fragmented. Lack of international exposure restricted the popularity of modern retail formats. Few international companies were present in the market, but were exclusively targeted to the upper stratum of the society. As majority of the Indian consumer population belonged to the middle and lower-middle class, some of the large local players, namely Future Group, Tata, Birla, Reliance, eventually realised their needs and targeted them with appropriate retail formats, such as Supermarkets, Hypermarkets and Discount Stores (Damodaran 2013; Jain and Godha 2012: 24-25).

The first years of the 21st century were marked by a revolution in the retail sector in India as the retail industry adopted western formats such as Shopping Malls, Department Stores, Hypermarkets, Supermarkets and Speciality Stores introducing the Indian consumer to new shopping experiences (Singh and Tripathi, 2012: 134).

Shopping Malls have become one of the most popular shopping destinations in India. In 1999 India had only 3 Malls (Suresh 2013). In 2008 there were 225 Malls and by 2013 570 malls were operating throughout the country (Sharma and Dhamija 2013). The increase in the spending capacity of the large youth population along with the increase in the per capita income has influenced this growth (Divekar, Ganguli, Deshpande and Netto 2011). On September 2013, according to a report by India Brand Equity Foundation, the Indian retail industry was worth USD 500 billion.

Up till 2012, Foreign Direct Investment (FDI) in multi-brand retailing was prohibited and only 51% was allowed in single-brand stores. In 2012, the Indian Government relaxed their policies by allowing 100% FDI for mono brands retails and 51% for multi-brand retailing (Patel and Sethi 2013). For the first time India has opened the doors to several international retailers to enter the Indian market (Global Retail Development Index 2013).

A general liberalisation of the Indian economy during the last two decades has led to a constant rise of the urban consumers' disposable income and aspiration towards a more sophisticated lifestyle. Consumerism has also created an impact on the demand for quality products and services (Mehta 2006).

India is seen as an attractive destination by many national and international players and from 2000 to 2006 retail revenues rose about 93% (Kalyanasundaram 2012). In particular, despite the global economic slowdown, Indian luxury market has continued to grow by 25% until 2013 and revenues are expected to reach USD 15 billion in 2015, more than double of the current USD 8 billion (Mukherji 2013). National and international luxury retailers are striving to increase their presence in India thanks to an increased brand and status consciousness of the upper-middle class, who are driving the luxury demand (Wharton School 2013). Luxury retailers are concentrated in few metropolitan areas, namely Delhi, Mumbai and Bangalore (LaSalle 2013). At present, "Armani" has 12 Flagship Stores in India (Armani 2013), "Louis Vuitton" has 5 (Louis Vuitton 2013), "Gucci" has 5 (Gucci 2013), "Jimmy Choo" has 6 (Jimmy Choo 2013), "Burberry" has 7 (Burberry 2013). Several other brands are also planning their expansion in India thanks to the recent opening to FDIs.

Another trend is the opening of luxury multi-brand chains, such as "The Collective", that give access to more than 100 international labels with 8 POS across the country (The Collective 2013).

Bangalore in particular, being the fashion capital of South India (Talukdar 2012), is a lucrative market for fashion Boutiques. Recent retail trends in the city have shown a shift from traditional markets to Department Stores, Speciality Stores and Boutiques. A survey also showed that Bangalore residents prefer shopping at Speciality Stores and Boutiques for apparels and personal items (Lange and Meier 2009).

F&B Industry Trends

India has not only seen a transformation in the retail scenario in recent years, but in the lifestyle in general. Increased middle-class income, higher standard of living, rising level of social interaction and changes in food preference have also created a new lifestyle segment in the food and beverage industry due to social drinking. Cafes, Bars, pubs, and lounges represent 24% of the organized F&B segment, which is expected to increase from the current USD 13 Billion to USD 28 Billion in 5 years. Innovation in location, formats and menu are influencing factors in his rising consumption (Zachariah 2013).

A key contribution can be associated to the exposure to television, cinema and travelling abroad which has led to occasional drinking socially acceptable (Jha and Ganesh 2007). The market for liquor in India is growing and part of this growth is due to the increasing number of women who have taken up social drinking (Newsasia 2010). The rising wealth and exposure to different lifestyles are seen as key drivers for Indian women to try new collective experiences and to experiment the social drinking culture (Aravindan and Bose 2013). The introduction of international brands to the Indian F&B market has contributed to the popularisation of this trend (Kaur et al 2012).

Research on Bangalore has shown that its people consider drinking as an essential part of socialising, one-fifth of which were women (Browne-Miller 2009). It is considered the country's "Pub Capital". Bangalore portrays an active social life thanks to renown for top-notch Bars, lounges and breweries, namely "Arbor Brewing Company", "Biere Club", "Toit Brewpub", "Skyye Lounge", "Puma Social Club", "Vapour" and "City Bar", shaping a new entertainment scenario (Chandan 2013).

These Bars are also importing some typically western formats, such us "Weekend Brunch" (George 2012).and "Sundowner Parties" (Chatterjee and Banerjee 2012). A Sundowner party is a social gathering where people enjoy music, drinks during the late afternoon, which has become extremely popular in Bangalore combining the amusement needs with the curfew policy.

Concept stores

In the late '90s, certain European retailers developed the innovative idea of Concept Stores, customizing the shop to a lifestyle theme, specialised in cross-selling different products and services in one integrated space (Popescu and Popa 2012). Concept Stores can be defined as points of sale with heterogeneous merchandise under the same store brand (Mesher 2010), or as retail outlets that don't simply sell fashion products but create a socialising environment (Stevens 2012).

One of the first Concept Stores was "10 Corso Como" in Milan, Italy, which is a luxury fashion and homeware Boutique combined with a restaurant, a café, a book store and an exhibition space. The lifestyle theme is based on the personality of its founder, Carla Sozzani (Maselli 2010, Doran 2011). New outlets were recently launched in Seoul and Shanghai, propagating the same store personality.

The same principle was followed by "Colette" in Paris (a luxury fashion and beauty store which includes an art gallery and a nightclub), "Quartier 206" in Berlin (Popescu and Popa 2012), "Fred Segal" in Los Angeles (Vernet and de Wit 2007), "Dover Street Market" in London (Doran 2011), "Fivestory" in New York (Jacobs 2012), "Tokyo Hipster's Club" (Ellwood 2006).

Many stores were then designed with the same philosophy, incorporating boutique, bars, restaurants, performance areas and gallery spaces to create an immersive experience and also attract those customers who don't intend to shop for the core fashion products of the store (Doran 2011).

Heterogeneity is the common term among them. Each Concept Store proposes an original emotional and sensory experience through a number of suggestions inspired by both the variety of products on display and the store architecture and design.

The merchandise variety of the Boutique is the key element of the product strategy, which also allows the differentiation of the target. These stores offer an assortment of items coming from different brands and targeted to particular psychographic profiles, such as ecologically friendly, luxurious or street wear orientated customers (Popescu and Popa 2012).

The store layout and ambience are fundamental. Products, services and environment have to create a consistent and harmonious experience. Interior design must exaggerate the perception of products. The space must be designed as an exciting journey, which extends the duration of the visit, increasing the likelihood of purchase (Ogden-Barnes and Minahan 2006: 287-292).

In terms of promotion, Concept Stores leverage modern marketing techniques such as guerrilla marketing and word of mouth, which allow lower investment in advertising.

Figure 1: Detail of 10 Corso Como in Milan (10 Corso Como website 2013)

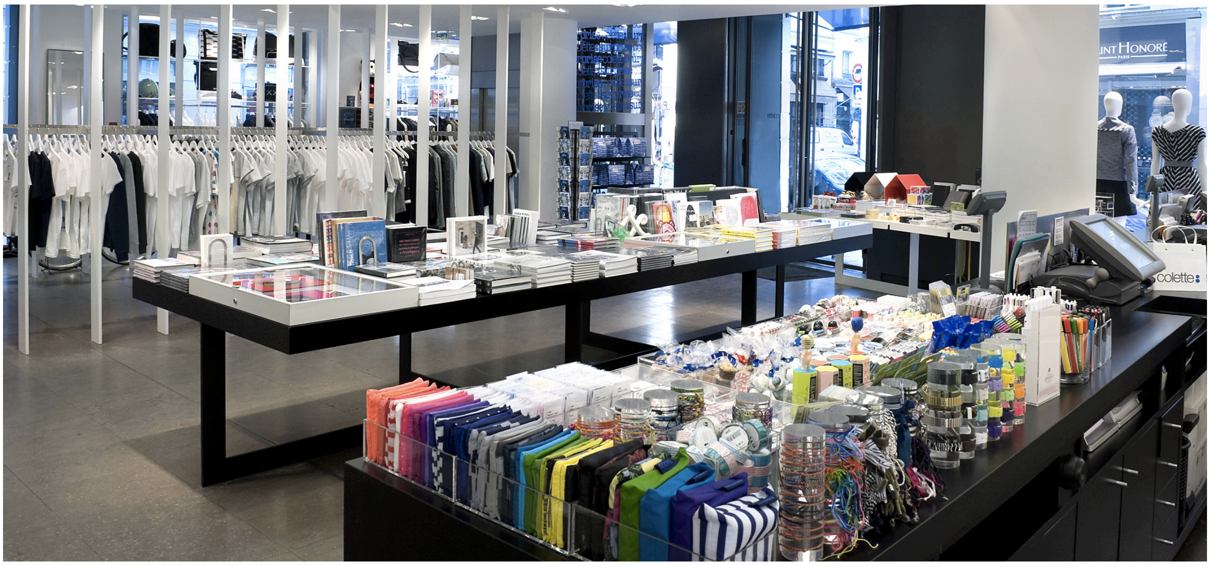

Figure 2: The entrance of Colette in Paris (Aures 2012)

Studying the perception of the format of Concept Store in India

Customizing the Concept Store format to the Indian retail scenario

This research aims to assess the consumer attitude and perception towards the retail format of a Concept Store in India, specifically in the city of Bangalore.

According to a preliminary analysis of the retail formats in India, the Western model of Concept Store has been fine-tuned to maintain the key marketing mix of this format and at the same time customize it to the local context. This retail format is based on the hybrid model of a multi-label Boutique combined with a Bar.

The target is based on demographic elements: adult women, resident in Bangalore and with a disposable income higher that the average for the urban India.
The Boutique area will be predominant in the store, offering an assortment of fashionable products such as apparel, footwear, bags and accessories sourced from different brands while carrying the label of the Boutique. According to Davis (2011) novelty is one of the elements of differentiation for these new retail formats, hence the merchandise assortment is unique and frequently changed.
The price range falls under the premium category. The proposed location refers either to “Indiranagar” or “Lavelle Road”, two areas with an increased popularity in terms of retail, fashion and F&B sectors (Vestian Global 2013).
The store design and ambience will portray a strong personality, conveyed consistently with the layout , decorations, lighting and music.
Promotion strategy includes seasonal sales and frequent discounts to allow stock turnover.
The Bar area will be secondary to the Boutique. It will serve beverages such as a variety of wines, signature cocktails and non-alcoholic beverages. The Bar will host promotional activities such as happy hours, seasonal introductions of new beverages and a range of events.

Theoretical Framework

The theoretical framework of this research is based on the one developed by Verhoefa, Lemonb, Parasuramanc, Roggeveend, Tsirosc and Schlesingerd (2009) to represent the determinants of customer experience. These include the service interface, retail atmosphere, product assortment, price and promotions.
This can be seen as a cognitive process, driven by a set of tangible and intangible characteristics of the store such as size, format, location and ambience of the store (Taneja 2007). A set of hypotheses has been developed to assess the attractiveness of the individual attributes that characterize the Concept Store and to correlate each of them with the general attractiveness of this retail format.

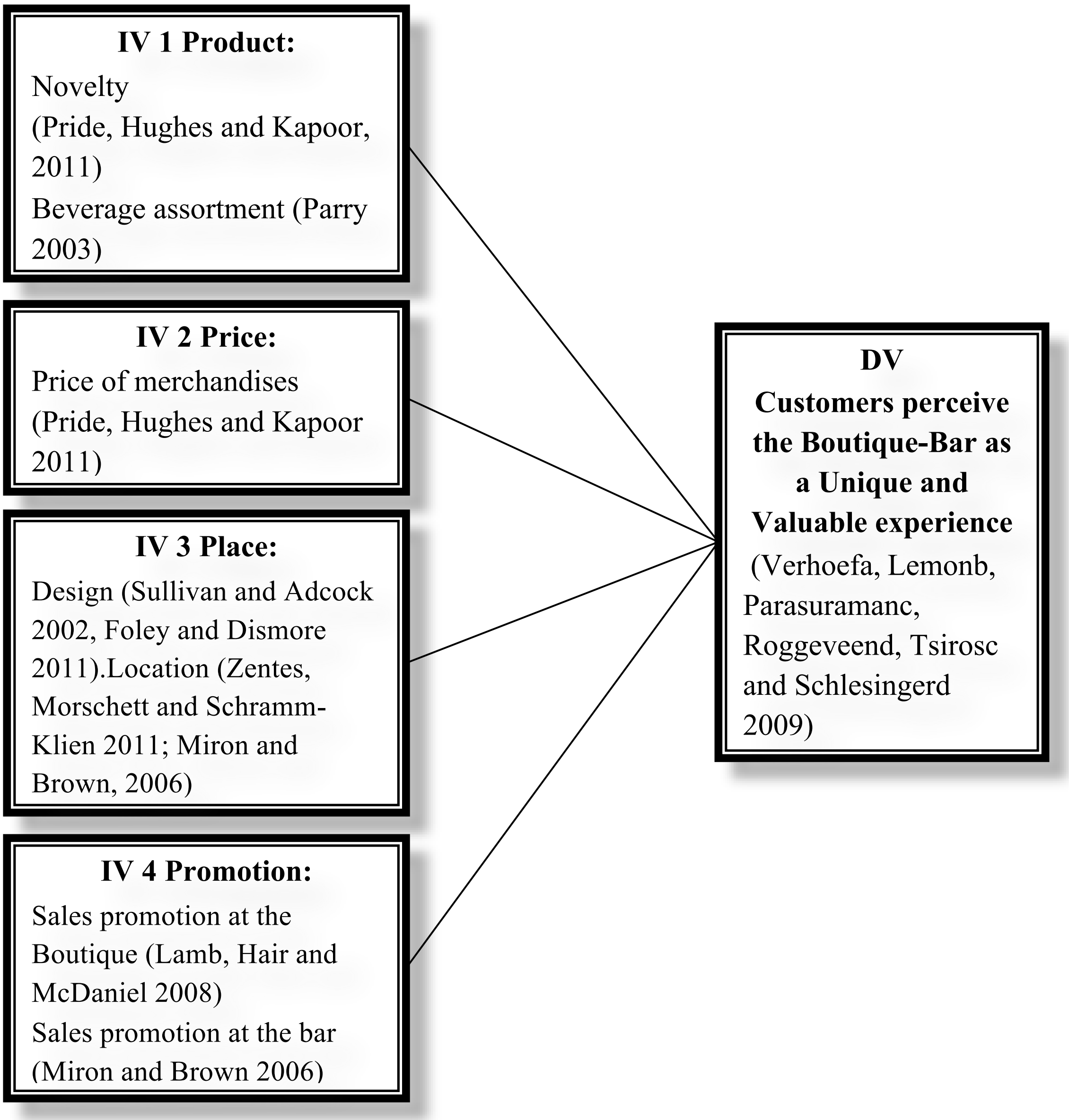

Table 1: Theoretical Framework

H1: Potential customers in Bangalore will perceive the Concept Store as a unique and valuable shopping experience.

Customer experience is initiated by a set of interactions between the customer and the product or the company that provokes the customer's involvement at different levels such as rational, emotional, sensorial and physical. This is why customer experience is holistic in nature and involves customer's cognitive, affective, emotional, social and physical responses to the retailer. Creating superior experience is becoming the central objective of retailing in today's times (Verhoefa, Lemonb, Parasuramanc, Roggeveend, Tsirosc and Schlesingerd 2009).

This research aims to measure whether the peculiar characteristics of this hybrid retail format can be valued by the Indian consumers.

H2: Novelty and Variety of apparel merchandise and beverages in the Boutique-Bar will be attributes contributing to the attractiveness of the Boutique-Bar.

Maintaining a wide range of products and complimentary products will contribute towards buying decisions. Especially for consumers who have well-defined product preferences, a wide assortment increases the probability to find something close to their expectations (Krafft and Mantrala 2010). Also at the Bar, having a wide selection of beverages at the Bar will attract customers with different tastes and preferences. Unlike food, beverages have low spoilage rate so having them on display may result in impulse decisions of consumers (Parry 2003).

This study seeks to determine if the assortment and novelty of the merchandises offered at the Boutique and the variety of beverages offered at the Bar enhances the attraction of the Concept Store.

H3: Customers will be willing to pay a premium price for the merchandise offered in the Concept Store

Price is an important factor in determining a store's positioning strategy. Consumers generally perceive price to be secondary in stores such as Boutiques, rather emphasising focus on distinguishable merchandise, physical appearance of the store and service (Lamb, Hair and McDaniel 2008). Pride, Hughes and Kapoor (2011) discuss that consumers are willing to pay a higher price for a product reflecting novelty or sense of status.

The proposed study seeks to investigate the influence of price on attracting customers to the Concept Store and if they are willing to pay a premium price for the merchandise offered.

H4: The location, store design and ambience of the Concept Store will positively influence the attractiveness of the concept.

Luxury retailers were the first to understand the value of in-store experience before others did (Schmitt 2010). A positive store atmosphere complimented with the right merchandise and a good in-store experience also enhances sales (Sullivan and Adcock 2002). The total store environment comprises of three cues that the retailer can control, namely- ambience, design and service. The ambience elements include non-visuals components such as lighting, temperature, music and scent while design includes all the visual elements. Service cues refer to the sales personnel and their interaction with consumers.

The study seeks to investigate the importance of store design and ambience to the potential customers and elements of the ambience that attract them.

H5: Sales promotional activities at the Concept Store will positively influence the attractiveness of the Concept store.

For this study only sales promotion will be regarded as promotional activities. These activities include coupons and discounts, premiums, loyalty programs, contests, sampling and point-of-purchase displays (Lamb, Hair and McDaniel 2008). The objectives of sales promotion are to introduce new products, to attract new customers, to retain existing customers, to maintain sales of seasonal products and to meet the challenges of competition (Bootwala, Lawrence and Mali 2007).

This research aims to understand the attitude of potential customers towards promotional activities and their preferences.

Methodology

This research used a descriptive and quantitative approach. Primary data were collected with the usage of a self-developed questionnaire.

The target population is described by women ages 21 and older, resident in Bangalore and with a disposable income higher than the Indian average of 90 USD.

A minimum quota of 50% of the target population included respondent with a disposable income higher than USD 320.

The questionnaire was administered to 165 women using a combination of non-probability, convenience and snowball sampling.

The questionnaire comprised of twenty-six questions divided into four sections. The opening questions determined whether the respondent is a member of the survey population.

The questions that represent the dependent variable (DV) and the independent variables (IV) were clubbed together for data analysis as shown above.

Variable	Questions from the questionnaire
DV - Unique and valuable experience	• Do you think a Boutique with an in-store Bar can create a valuable shopping experience? • Would elements such as the exclusivity of the products, ambience and the presence of an in-store Bar motivate you to choose this destination over other stores? • Have you ever been to or heard of a Boutique-Bar in Bangalore?
IV1 - Product	• Where do you prefer shopping for clothes and accessories? • Is the brand important to you to make you purchase clothing and accessories? • Do you prefer to shop at stores that offer clothing and accessories that are not easily available in other stores? • Do you prefer to shop at stores that have just one or two pieces in each style or design? • What drinks would you like to be served at the Bar?
IV2 - Price	• Are you willing to pay a premium price for such clothing and accessories?
IV3 - Place	• Is the store ambience important to you? • What elements of the store ambience do you appreciate? • Even if you are not visiting the Boutique, would the design and ambience persuade you to visit the Bar alone? • Is the location of the Boutique-Bar important to you?
IV4 - Promotion	• Do promotional activities at the store (such as sales, offers, loyalty cards etc.) make you frequently visit a particular store? • What kind of promotional activities do you prefer? • When do you generally go for a drink? • Do promotional activities at the Bar (such as happy hours, new seasonal introduction of beverages, offers etc.) make you want to frequently visit a particular Bar?

Table 2: Structure of the questionnaire in relation with the DV and the IVs

Procedure

The survey questionnaire was web-based and accessed through a URL was sent to the respondents via email and Facebook. The respondents were also requested to forward the URL to suitable respondents.

Cronbach's alpha was used to test the reliability of the questionnaire. Frequency distribution and Pearson's correlation were used to analyse the data and the relationship and statistical significance among the variables. This was done through SPSS (Statistical Packages for the Social Sciences) version 20.

Attributes of attractiveness for a Concept Store in Bangalore

H1: Potential customers in Bangalore will perceive the Concept Store as a unique and valuable shopping experience.

The survey conducted resulted in a positive reaction from the respondents towards the concept. 73% of the respondents agreed that the Boutique-Bar can create a "Unique and Valuable Shopping Experience" in Bangalore. This outcome confirms the information derived from the Technopak report (2011) that the Indian consumer welcomes innovation, creativity and unconventionality and thus showed an enthusiastic response to the proposed Concept store. The FICCI report (2012) also says that Indians are confident consumers who are willing to try new products/services and are expecting different experiences from retailers, explaining 75% of the responses who would choose this destination over other existing options.

It was also found through correlation that creating a "Valuable Shopping Experience" increases the possibilities for the potential consumers to choose this destination over other existing options.

An interesting observation was that 37% of the respondents, who prefer shopping at Boutiques, thought of the Boutique-Bar as a unique and valuable experience, also 40% prefer drinking at Bars and 31% are likely to choose this destination over others. Hence, hypothesis *H1 is accepted.*

H2: Novelty and Variety of apparel merchandise and beverages in the Boutique-Bar will be attributes contributing to the attractiveness of the Boutique-Bar.

75% of the respondents proved to be "Novelty-Fashion conscious" according to the definition from Sproles and Kendall (1986), which is consistent with Lysonski and Durvasula's (2009) survey on Indian consumers. Novelty-Fashion conscious consumers are the ones who appreciate new and innovative products and gain excitement from seeking for these products (Mishra 2010).

Half of the respondents preferred shopping at "Boutiques" and at stores that offer "Limited Pieces in Each Style". Verhoefa, Lemonb, Parasuramanc, Roggeveend, Tsirosc and Schlesingerd (2009) suggested that product assortment is a key element contributing to the customer experience and are important drivers influencing consumers to visit a retail store (Jhamb and Kiran 2012).

Upon using Pearson's correlation, it showed that novelty and limited availability of merchandise had a weak yet positive relationship of 0.211 with that of perceiving the Boutique-Bar as a "Unique and Valuable Experience".

In the results of the beverage preferences all the mentioned options got at least 25% of appreciation, with highest being cocktails at 83% and wine at 73%. Consumers value an extensive variety of beverages at the Bar and a well stocked Bar is one of the factors that allow to target diverse customers (Parry 2003).

Hence, hypothesis *H2 is accepted.*

H3: Customers will be willing to pay a premium price for the merchandise offered in the Concept Store

When interrogated about this aspect, nearly 58% of the respondents agreed that they are willing to pay a "Premium Price" for novelty products and only 14% disagreed.

Pearson's correlation showed a weak yet positive relationship between the Premium price and both the perception of the Concept Store as a "Valuable Shopping Experience" and the choice of this destination among others.

Most of the respondents are willing to pay a premium price for the merchandise offered in the Concept Store. This result may be explained by the fact that the increased disposable income of Indian consumers is spent for the 80% on lifestyle products (Kurane 2008). Bangalore is ranked as the Indian city with the highest standard of living and its residents are willing to spend more on quality products and services (SiliconIndia 2012).

Hence, it can be said that the price is an influential attribute for the consumers to perceive the Boutique-Bar as attractive and valuable, so hypothesis H3 is accepted.

H4: The location, store design and ambience of the Concept Store will positively influence the attractiveness of the concept.

When questioned about the ambience, a majority of almost 85% of the sample population agreed that “Store Ambience” is important while less than 1% disagrees to the same.

When interrogated about the most relevant elements of the ambience, 73% of the respondents particularly estimate the “Lighting”, 71% chose “Fitting Rooms” as a key factor contributing to the ambience, 65% of the respondents said that they appreciate “Store Design”, 63% think “Sales Staff” contributes to the ambiance, 49% of them said they value “Music”, 38% said that they enjoy a “Spacious Store”.

When questioned about the willingness to only visit the Bar because of the interior design and ambience, a majority of nearly 64% agreed that the “Design and Ambience” of the Concept Store would persuade them to visit the Bar alone even when they are not shopping.

When asked about the importance of the location of such Concept Store a majority of 80% said that “Location” is important to them.

Pearson’s Correlation Between “Place” and the perception of the Concept Store as a Unique and Valuable experience is significant and very strong and positive, with a value of 0.662. This shows that attributes such as ambience, design and location of the Boutique-Bar can be a very important factor in determining whether it is perceived as valuable or not to the customers.

The most interesting finding of this study was related to the store ambience and location, which emerged as the strongest correlation among the influencing factors to the customer experience. Yurchisin and Johnson (2010) observed that when customers view the store environment positively, the brand image also is positively perceived. Store design plays an integral part in experiential marketing and customer experience management (Webster and Garaus 2011). With reference to the Indian context, Sinha, Banerjee and Uniyal (2002) found that store design and ambience is of importance to consumers, especially when they are shopping for fashion products, and is one of the key drivers of store choice.

Store location is regarded as one of the most crucial aspects of retail marketing strategy since it is a long-term decision involving relatively large amount of capital. Karadeniz (2009) also stated that the location is an important element considered by customers in choosing a store. A good location is the key element to attract customers and can lead to becoming a competitive advantage (Zentes, Morschett and Schramm-Klein 2011). Preferably, both a Boutique and a Bar should be located near a place of high pedestrian traffic, places of work, other entertainment, visible, affordable and easy available parking (Miron and Brown 2006).
Hence, hypothesis H4 is accepted.

H5: Sales promotional activities at the Concept Store will positively influence the attractiveness of the Concept store.
When interrogated about the interest towards promotional activities to encourage them to visit the Concept Store, 65% of the respondents agreed that “Promotional Activities” at a store make them frequently visit the particular store.
When asked about the preferred promotional activities for the Boutique, 77% of the respondents stated that they like “Sales” as promotional activity, 65% of them prefer “Offers”, 47% of them like “Loyalty Cards”, 19% of them enjoy “In-Store Events” and 13% of them are interested in “Online Communication” as part of the promotional activities.
When asked about the preferred promotional activities at the Bar, 44% of the respondents agreed that “Promotional Activities” at the Bar make them frequently want to visit the particular Bar while 25% of them disagreed. 30% remained neutral.
Pearson’s Correlation between “Promotion” and the perception of the Concept Store as a Unique and Valuable experience is very weak yet positive with a value of 0.149 and is statistically insignificant.
According to the literature, sales promotions are key methods to engage the customers (Pride and Farrell, 2010; Miron and Brown 2006). However, the findings of the current study do not support the previous research. Promotional activities showed a very weak and non-significant correlation with the customer experience. This rather contradictory result may be related to the stronger influence of other factors explained by Verhoefa, Lemonb, Parasuramanc, Roggeveend, Tsirosc and Schlesingerd’s (2009) such as product, price, place, social environment, service interface, retail brand economic and psychographic factors. Also, Jhamb and Kiran’s

(2012) study showed that Indian consumers give particular importance to other promotional strategies such as personal selling, advertising and after sales services, thus sales promotion being a weak element. These other activities could include media exposure- newspaper, online, radio, magazines, television; emphasis on sales officials, sponsorships and public relations.

Hence, hypothesis H5 is rejected. It can be implied that this particular target is less sensitive to sales promotions for the Concept Store.

Implications for the implementation of the Concept Store.

Conclusion

The targeted audience showed a positive reception towards the Concept Store format as a Boutique-Bar in Bangalore. It has emerged as a model that has the potential to create a unique and valuable shopping experience. Indian Consumers are seeking new and enhanced shopping experiences. In parallel with the rise of online shopping, also brick-and-mortar retailing has to evolve.

The research highlighted the emergence of “Novelty-fashion conscious” consumers, who prefer to shop for items that are not easily available in other commercial sites, which could be achieved with import and private labels.

Exclusive and ever-changing assortment, both for the Boutique and the Bar, are considered essential elements of the USP to target this market segment.

These consumers are not price-conscious and agree to pay a premium price for novelty, quality products, immersive experiences and status.

While these formats in US and Europe usually have a luxury pricing strategy, in India this should be reconsidered according to the different disposable income of the consumer target.

The store environment has emerged as the most influential element to build a consistent personality of the Concept Store. As observed with the existing Concept Stores throughout the world, a solid brand personality reflected in both the products and the ambience is crucial. A welcoming atmosphere can also help attract those customers primarily interested in socializing.

Another important aspect is the location. It is known that a good location is fundamental. While prestigious Concept stores were also established in city outskirts, this is not probably the best choice for the Indian context. So, the Boutique-Bar should be located in a prime locality, preferably leveraging the presence of other attractive destinations.

The target segment of Novelty-fashion conscious consumers demonstrated to be mildly sensitive to sales promotional activities. However, it is not advisable to completely neglect this aspect, especially introductory offers, loyalty programmes, seasonal sales to clear stocks, as also developed by luxury branded Boutiques in India. As Concept stores mainly adopt word-of-mouth and guerrilla marketing strategies, advertising is not suggested, while Public relations, sponsorships, after sales services, direct marketing and events might be considered.

	Product	**Price**	**Place**	**Promotion**
Luxury Brand Boutique (Heine 2012)	Quality leadership, Iconic products, 2/4 season, mono brand	$$$	Selective distribution (1-7 POS), Flagship stores, Conglomeration in luxury malls	Advertising, Personal selling, PR, Celebrity endorsements, Shows and Events
Shopping Mall (Kotler 2008:354, Pradhan 2012:21)	Mix of retail and Entertainment. Heterogeneity of merchandise, multi brand	$$	Single self-contained shopping area by itself, 15-200 stores, heterogeneity of store layout	Price-based Sales Promotion, Entertainment-based
Department Store (Pradhan 2012:34, Kotler 2008:354,342)	Extensive assortment, heterogeneity of merchandise, low-medium quality, multi brand / private label	$	Large retail format: average 7000 sqm, , prime shopping locations	Sales promotions, direct mailing, advertising
Concept Store (Popescu and Popan 2012)	Variety, Novelty and exclusivity, multi brand	$$	Small retail format, Primary locations or unconventional location, consistent and curated ambience	Word of mouth, Events, personal selling, direct mailing

Table 3: Overview of the marketing mix of contemporary retail formats

Future research

The study was successfully able to identify the role of the marketing-mix elements on the consumers' perception of the Boutique-Bar as a Concept store in Bangalore. However, according to the sum of the regressions per each marketing element, they result influential only to the extent of 45%. Supplementary research is suggested to be undertaken in the area of consumer psychographics, to correlate the "Novelty-Fashion conscious" consumers with the attributes influencing their purchase behaviour, their perception of other promotional activities. Furthermore, social drinking culture in India could be investigated further in particular with reference to the female market.

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