# Distributional Channel Strategy: A Case Study of Mussoorie

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## Abstract

*This report is an initiative to analyse the behaviour of consumer on various distribution channel. A channel of distribution serves as the connecting link between the producer and consumers. It creates time and place utilities by bridging the gap between the time and place of production and those of consumption. This report addresses two topics: (1) channel wise analysis of consumer behavior. (2) Product wise analysis of consumer behavior. It is based on a consumer-oriented study in order to consider the various aspects that affect any given distribution channel. It also helps in generation of new business ideas /opportunities regarding the channel of distribution.*

**Keywords: Distribution Channel, Consumer Behaviour, Brick and Mortar, Online Channels**

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## 1. Introduction

A distribution channel is the network of individuals and organizations involved in getting a product or service from the producer to the customer. Distribution channels are also known as marketing channels or marketing distribution channels. It includes wholesalers, retailers, distributors and the internet. Distribution channel helps in making product easily available to the customers.

Distribution channels are:

(1) Direct channel: In direct channel, the vendor of a product or service sells directly to the customer. The direct sales approach requires vendors to take on the expense of hiring and training a sales team or building.

(2) Indirect channel: The indirect channel, in contrast, offloads sales activities to individuals and organizations known as intermediaries. Examples of intermediaries include value added resellers (VARs), consultants, independent software vendors ISV Wholesalers distributors etc. Each type of intermediary represents a channel, with its own distinct characteristics.

This research work aims to do the qualitative and the quantitative study of the following channels of distribution: Traditional Retail (Brick & Mortar) - Local Kirana shops, Corporatized Retail (Brick & Mortar) - Malls & Big Departmental Stores and Corporatized Retail - online.

To learn the various dimensions of customer behaviour in different cities and their expectations from different kinds of distribution channels available to them and to generate new business ideas and opportunities relating to the distribution channel preference in accordance with the different selected part of cities. It helps to learn the process of satisfying the customer needs for different consumer products in different tiers of cities by designing appropriate distribution channel as per their needs or preferences according to their income group and to analyse the response of consumers for different distribution channel available to them.

### 1.1 Scope

It would enable us to design a detailed structure of passing consumer goods /products from manufacturer to distributor/retailer. This, in turn would help us in finding the new ways to cater the market that are geographically dispersed. It helps us in finding new business opportunity in different selected market.

## 1.2 Description

This research study is based on empirical research which helps us to analyse the behaviour of consumers for different distribution of channels. The survey was conducted in Mussoorie from the households and vendors in the area of 'mall road'. With an approximate population of vendors and households in Mussoorie area to be 2000, we deduced a sample size of 278, with margin of error of 5%, confidence limit as 95% and response distribution as 50%. On analysis of the respondents responses, only 200 were deemed fit. The sampling technique which was used for this study was systematic random sampling. The questionnaire categorised into groceries (Rice, Sugar, Biscuits, oil etc.) and Electronics (LED, Mobile, Refrigerator etc.)

## 1.3 Research Objectives

This research work or research answered the following questions based on distribution channel.

1.  To study the type of channel preferred by consumers according to their income groups.
2.  To study the preferences of distribution channel according to their age groups
3.  To study the type of channel preferred by customers according to their convenience, payment security, product quality, availability of goods or products etc.
4.  To study the type of channel of distribution is preferred by consumers according to their area.
5.  To study the type of other distribution channels that can be easily accepted by the particular area.
6.  To study the scope of new distribution channels in Mussoorie.
7.  To study the future scenario of the type of distribution channels that would be preferred by consumers (i.e., local kirana stores, Malls, Online stores).

## 2. Distribution Channels

A distribution channel is the network of individuals and organizations involved in getting a product or service from the producer to the customer. Distribution channels are also known as marketing channels. It includes wholesalers, retailers, distributors and the internet. In our research we selected the following channels i.e. local kirana stores, online stores and malls.

All the people are different with their own sets of tastes and preferences. The more options in the local kirana stores, online stores and malls have made things much easier for the people. It has made shopping all more convenient. All the channels have their own pros & cons. People purchasing from the best suitable channel after checking their pros & cons .so, We selected these channel for checking the preferences and tastes of the individuals according to their income groups, convenience, availability and which mode of channel preferred by different age group's people.

## 2.1. Local Kirana Stores

Local kirana stores are also known as general stores.  'Kirana' means small. It is usually family owned shop selling groceries. It is one of the most convenient distribution channels as it is present in the nearby location of customers. More than one local kirana stores are easily available in any location .The store carries routine stock and obtains special orders from warehouses. These stores sell staple food items such as milk, bread and various household goods. In our research, we selected this mode of channel to scrutinise the demand of local kirana stores. Are people demanding local kirana stores when they have other distribution channels like malls and online stores too?

## 2.2 Online Channels

Online store is a form of electronic commerce (e-commerce). It is also known as internet shop, e-stores, e -shop and web stores. It allows customers to directly buy goods or services from a seller over the internet. In online stores there is no need to search for any physical space to showcase the products. It is not restricted by area constraints. It is convenience mode of channel as goods are easily available without going anywhere. Online store has become easy to buy products required in day to day life including groceries. It also allows the customers to find the best quality at the affordable prices. People rely on online store but not as much as compared to other distribution channel because of the various reasons i.e., fraud , security concerns, lack of cost disclosure and the deceptive pictures of the products .we selected this mode of channel for ascertain the demand of online stores by the people of Mussoorie.

## 2.3 Malls

Malls define as a large building or group of buildings containing many different stores or a large retail complex containing stores. It provides variety of products under a single roof. It saves time and efforts of the customers as there is no need to move from one street to another in search of

the products because products are available at one place. In malls, there is an easy option to try and feel the products at real time. In malls, there is no deceptive picture of products. We selected this channel to find out the behaviour of the consumers towards malls in selected cities.

## 3. Methodology

This research work was done in two parts of 6 months each. In the first half of this research work is related to designing the structure of questionnaire for carrying out the household survey. Pilot survey also conducted to analyse that questionnaire conform to the objectives and according to it relevant changes in the questionnaire were made and the final questionnaire was prepared. After the questionnaire designing the field survey were conducted. The survey was very informative and gathered lot of new knowledge about distribution channel.

In the second half of this research work part involves the formal documentation of experiences, compilation of questionnaire, accumulation of questionnaire results and personal interviews. This was followed by using the following approach. In quantitative analysis we used the statistical (parametric and nonparametric tests) and econometric approach and the qualitative analysis by using the hypotheses building approach to arrive at a conclusion.

**Study of distribution channel: (Brick and mortar, online)**

It was a consumer behaviour oriented study and our team thoroughly studied the preferable mode of channel of consumer.ie, online stores, local kirana stores and malls according to their income group, convenience and other factors that affects their purchasing from distribution channel.

## Questionnaire

While designing the questionnaire various parameters were considered and set the scale for different parameters between 1 to 7. Ranking were done on the basis of importance of product and channel, where 1 represents the least important and 7 represents the most important. The chosen parameters included: seller's goodwill, price, product quality, availability, convenience, discounts, packaging, timely delivery, payment security, review of the product. Questionnaire was prepared according to the selected cities where survey was supposed to be done. These cities selected due to various factors that affects consumer behaviour for different selected distribution channel.

## Pilot survey

After designing the questionnaire pilot survey was carried out. It was done in Delhi/NCR where we covered 200 households. Pilot survey conducted to analyse that questionnaire confirm of its objectives.

## Final questionnaire

• Pilot survey conducted and some loopholes found in the questionnaire like questionnaire were lengthy and very time consuming. After considering the deviation we started redesigning the questionnaire according to pilot survey and various changes were made in the questionnaire. We reset the scaling from 1 to 7 to 1 to 5, where 1 represents the least important and 5 represents most important. After all the changes were made in questionnaire, final questionnaire was prepared which was simplified, short and less time consuming.

## 4. Analysis, Explanations & Findings of the Paper

Weighted Average Method: It is a method of computing a kind of arithmetic mean of a set of numbers in which some elements of the set carry more importance (weights) than others. We assign the weights to the data available to us. We have used the weighted average method in all the questions.

Simple Average Method: Under this method various observations are added and then it is divided by the number of observations to get the simple average price of the data.

The formula for calculating simple average is given as follows:

$$\text{Average Price} = \frac{P1 + P2\ldots\ldots + Pn}{N}$$

### 4.1 Gender Specific Analysis (Weighted Average Method)

Firstly, in our survey in Mussoorie we have done the gender specific analysis for the groceries. Groceries are the daily/ day to day purchases made by people in Mussoorie. Generally people consider buying from local stores situated nearby them for the purchase of groceries.

The study shows the mind set of male and female which affects them the most while purchasing groceries from local kirana/ malls/ online shopping. In the study, the price of the product is the most important factor while purchasing groceries. In our survey in Mussoorie we found out that groceries are mainly purchased by the individuals from the local kirana stores rather than from malls and other sources. Mussoorie is mainly famous for its fashionable apparels, handicrafts and artifacts, after mall road the main market is the Kulri bazaar, which is equally popular among the tourists as well as the locals. At Kulri bazaar we find some of the big

kirana shops of Mussoorie from where the locals purchase their daily day to day needs. From the data we can clearly see that the preferences graphed on the axis is almost same for male and female. We have done this analysis to know the preferences of male and female in Mussoorie for purchasing the groceries from the sources available in Mussoorie.

### 4.1.1. Electronics

If we compare the groceries with the electronics, we see that there is a huge difference, groceries are items which people buy day-to-day, but electronics are not purchased by the people on daily basis. Electronics are the products which people buy when the old one gets outdated or they get out of order after many years of usage. So generally people consider more of seller's goodwill while purchasing electronics as compared to groceries. Also electronics goods are not available nearby every locality. Electronics are available in market place or malls.

According to our survey, in Mussoorie seller's goodwill is the most important parameter while purchasing electronics for both males and females. The survey shows that the product quality and the prices affect the most while purchasing electronics by people in Mussoorie. Goodwill of seller affects the least for both male and females. People prefer quality of the product mainly while purchasing electronics.

### 4.1.2. Past Experience

The analysis shows the experience of people in Mussoorie for local stores is the minimum while shopping from malls is the highest and online shopping following it. People mostly prefer shopping from malls in Mussoorie; this is because the local stores are very less in Mussoorie. There are local stores situated in Mussoorie mainly for handicrafts and art crafts, which is there to attract the tourists.

Therefore both male and female prefer shopping from malls and online shopping is also increasing day by day in Mussoorie. Mussoorie is mainly a tourist spot, it is also known as the queen of hills. Every year thousands of foreigners visit Mussoorie. The handicrafts and wooden decorative items are mainly popular here, so this kind of business is always whooping in Mussoorie.

### 4.1.3. Local Kirana Stores

Local Kirana Stores are generally located near every residential area or housing compels. Local kirana stores contain all the groceries and day to day items like milk, bread, eggs etc. All the day to day necessities are available in Local Kirana stores.

The survey shows that the price of the product matters the most for male while the quality of the product matters the most for females. In our survey we found out that the goodwill of the seller matters the least for both male as well as females. There were not many differences in choice of males and females. We have done this survey to know more about the preferences of people, which is what factors, affect the consumers while purchasing a product and also to analyze alternative business ideas

### 4.1.4. Malls

Malls are large shopping complex situated in large commercial areas in the city. Malls require large space for construction. Generally people do not visit the malls on daily basis, people visit malls for shopping on large scale, it could be for electronics, clothes, furniture etc. In our survey in Mussoorie, we have done the survey for different parameters and made the graph for males and females.

The survey shows the factors affecting people while purchasing product from the malls in Mussoorie. For males and females both, the goodwill of the seller is most important while shopping from malls. There are not many malls situated in Mussoorie, people in Mussoorie mostly prefer shopping from local stores situated there.

### 4.1.5. Online Channels

Online Channels are the online stores/online shopping, which is done over internet. There are several websites now available for the online purchases. So the mechanism of online channels are very simple, vendors from different parts of the world can sell their product online. When people order the certain unit of goods, it is delivered to them within a span of few days. Now there is option for express delivery also. Flipkart offers express delivery option, which delivers the product within 24 hours.

There are not many differences in preferences of male and females with respect to online channels. Seller's goodwill is the most important factor according to our survey in Mussoorie. Online Channels generally have low prices as compared to that of malls and other sources of purchases. There is a problem of processing of large orders, if we order many items at the same time; the processing is difficult as the items ordered may be from different sellers. We have done this survey to know more about the scope of online business in Mussoorie.

### 4.1.6. Future Purchases

As per the analysis, people will prefer shopping from malls, by both male (49%) and female (51%) in near future. We have done this survey to know more about preferences of people and alternative business ideas; we came to know that the scope of malls is higher. The delivery of many online websites is still not there in Mussoorie till now. Online shopping has a very good scope in our country. Online shopping is very much convenient and time saving for people. Online business always has a good scope in Mussoorie according to our survey.

### 4.2    Age-Based Analysis (Weighted Average Method)

In our survey in Mussoorie we have done age wise survey, so as to get a much clearer data.

### 4.2.1 Groceries

According to the analysis, the age wise distribution of preferences of people of purchasing groceries. We have done our survey with the following factors such as Sellers goodwill, price, quality of the product, discounts, availability of product, packaging, timely delivery, payment security and review of the product. We have done this survey onwards 14 years of age group. We have divided it in 4 categories that are 14-25, 25-35, 35-45 and above 45. The analysis says that the price and quality of the product is the most important factor while purchasing groceries of all age groups.

We have done this survey to know more about the preferences of people of all the age groups. And to know which kind of distribution channel would be best in Mussoorie. Shorter channel of distribution is always better because of the price factor. Long distribution channels add to the price of the product, which is ultimately a burden on consumers.

### 4.2.2. Electronics

According to the analysis, the age wise distribution of preferences of people in purchasing electronics items. We have classified it into 4 age groups that is 14-25, 25-35, 35-45, and above 45. We have done the following survey to know about the distribution channel of electronics items in Mussoorie. The quality and price of the product influences people the most while purchasing electronics. We also came to know that people now want more online sources to purchase electronics that is because the online prices of the electronics are cheaper than purchasing from malls. Online shopping of electronics products has wider scope in Mussoorie in near future.

### 4.2.3 Past Experience

According to the analysis, it shows the age-wise past experience of people in Mussoorie. The age groups are shown on the X-axis that is 14-25, 25-35, 35-45 and ages above 45. The analysis shows that the experience of people in local stores, malls and online shopping. We came to know that purchasing from local stores is the most preferred by ages 25 and above.

We came to know that though online business is increasing in Mussoorie but it has not much affected the local stores and malls.

### 4.2.4 Local Kirana Stores

The analysis shows that the factors that affect people while purchasing product from local kirana stores. Preferences of different age groups and we have divided them into 4 groups that are 14-25, 25-35, 35-45 and 45 above. It was assessed that the payment security is the most important parameter for all the age groups. Sellers goodwill is the least important parameter for people of all age group.

In our survey we found out that the local kirana stores have a good scope, but in the near future the online business will take its place.

### 4.2.5 Malls

Seller's goodwill is the most important parameter for the age group of 25-35. Mainly the goodwill of the seller is the most important factor, as we came to know in our survey in Mussoorie.

In our survey we found out that shopping from malls is somewhat fading nowadays, and people are preferring online shopping over malls. So the scope is wider in online business.

### 4.2.6 Online Channels

The goodwill of the sellers is the most important factor in all the age groups. Somehow there are not many differences among all the factors. We have done this survey to know more about what people give more preference to and also to get what would be better in Mussoorie in future. According to our survey online business has a good scope in near future; people prefer shopping more online, because of convenience and cheap prices.

### 4.2.7. Future Purchases

According to analysis, people would prefer to purchase products in future. We have grouped the different age groups that is 14-25, 25-35, 35-45 and 45, we see that the online purchasing is raising in Mussoorie, the online business has a good scope in Mussoorie, because online purchasing is very

convenient for people, and they get a large option to select from and the prices of the products are cheaper as compared to that of malls.

### 4.3 Product Specific Analysis (Weighted Average Method)

In product specific analysis we have compared different products and the parameters on which we have done our survey in Mussoorie. We have taken electronics and groceries in our survey in Mussoorie.

The price of the groceries are most concerned factor by people while purchasing and the quality is the 2nd most concerned factor while purchasing groceries. We have done this survey to know about the concern of the people in Mussoorie while purchasing groceries.

### 4.3.1. Electronics

The quality and price of the product are the most important factors according to our survey in Mussoorie. In case of electronics, product quality is very important; this is because electronics are not purchased by people on a daily basis. Generally in case of electronic product, people do not prefer sub-standard or poor quality products, so this is the reason why these two factors are given much more importance as compared to other parameters.
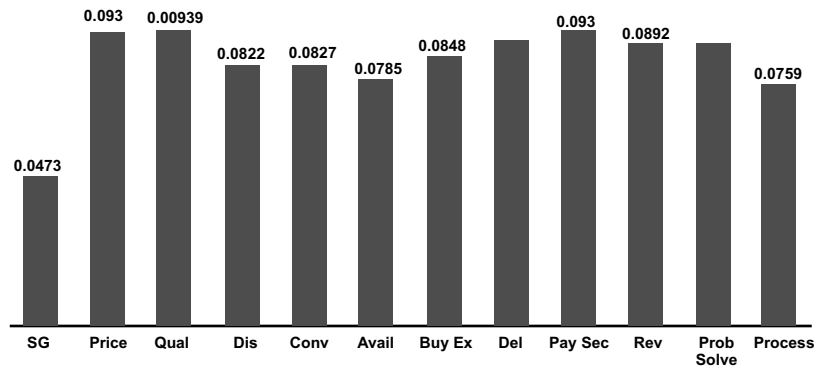
### 4.3.2. Channel-specific Analysis (Weighted Average Method)

The highest preferred channel among the people is mall, followed by online stores and local kirana stores. In our survey in Mussoorie we found out that nowadays people are shifting more towards online stores, this is because of shorter channel of distribution, which ultimately results in cheaper price of products, and moreover there is a wide variety of options available in online stores as compared to malls and other sources. Moreover there are very few malls located in Mussoorie; malls require huge construction space and also the price of the products are generally higher in malls. Local kirana stores are only visited by people for daily/day-to-day purchases. Also there is not much guarantee of quality of products.

### 4.3.3. Local Kirana Stores (Weighted Average Method)

Local Kirana Stores are those which are situated in every locality. Generally people visit the local kirana stores for day-to-day/daily needs of people.
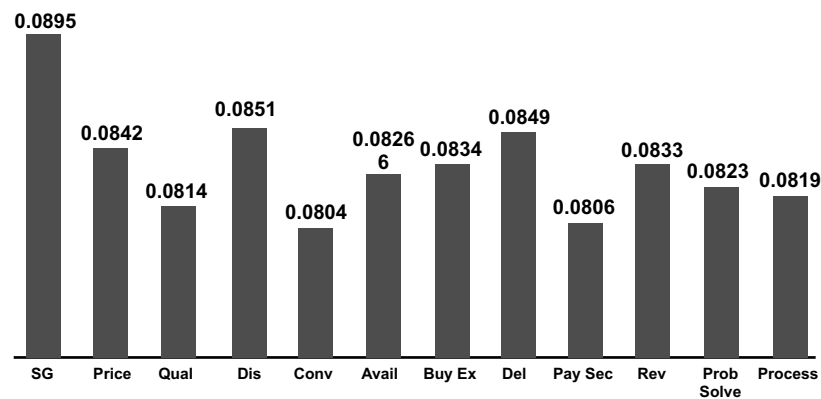
**LOCAL KIRANA STORES**

Bar chart values:
- SG: 0.0473
- Price: 0.093
- Qual: 0.00939
- Dis: 0.0822
- Conv: 0.0827
- Avail: 0.0785
- Buy Ex: 0.0848
- Del: (no label)
- Pay Sec: 0.093
- Rev: 0.0892
- Prob Solve: (no label)
- Process: 0.0759

This graph shows the factors affecting people in Mussoorie while purchasing from local kirana stores. In our survey in Mussoorie we came to know about the channel of local kirana stores. Generally there is a longer channel of local kirana stores, which is why the prices of products are higher. We can clearly see from the above graph that the quality and the price of the products matter the most which affect the people while purchasing groceries from local kirana stores. The least that matter is the goodwill of seller to people.

We have done this survey to know about the distribution channels of kirana stores located in Mussoorie and the preferences of people about local kirana stores.

**MALLS**

Bar chart values:
- SG: 0.0895
- Price: 0.0842
- Qual: 0.0814
- Dis: 0.0851
- Conv: 0.0804
- Avail: 0.08266
- Buy Ex: 0.0834
- Del: 0.0849
- Pay Sec: 0.0806
- Rev: 0.0833
- Prob Solve: 0.0823
- Process: 0.0819

### 4.3.4. Malls

We can clearly see from the above graph that it shows the factors that people consider while shopping from malls in Mussoorie. When we went to Mussoorie for our survey, we came to know that the goodwill of the seller is the most prominent factor for people while shopping in malls. After the sellers goodwill discounts availability and delivery matters to the people most. The least prominent factor was convenience according to our survey. So better the goodwill of the seller, more will people attract towards the malls.

In modern days the craze for malls is coming down as online shopping is taking its place. Online shopping is more convenient to people as compared to shopping from malls. And the availability of discounts is also more in online shopping.

### 4.3.5 Online Channels
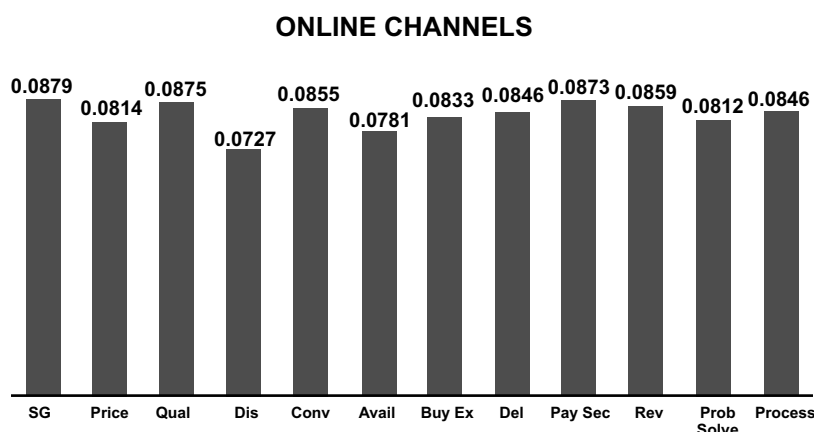
**ONLINE CHANNELS**



From the graph shown above we can clearly see that it shows about the online channels and factors that affect people while shopping products. Generally online channels are much shorter as compared to the malls and other sources of shopping. The reason is most of the mediators in online channels are eliminated, for ex Retailers, wholesalers etc. This is the main reason that the prices are much cheaper in online stores as compared to malls and other sources. In the graph shown above we can clearly see that the goodwill of sellers is the most affecting factor to the consumers followed by payment security.

### 4.3.6. Frequency of Purchase from different Channels

In our survey in Mussoorie, we have taken the frequency of people visiting the Local stores. 8% people purchase less than 2 times from local kirana

stores, 7% people purchase 2-4 times, 35% people purchase 5-7 times and 50% of people purchase more than 7 times to local kirana stores. We have done this survey to know more about the visits of local kirana stores by people in Mussoorie and how many times they purchase products from local kirana stores. People visit the local kirana stores mainly for the basic daily needs like groceries; this is the reason why local kirana stores are visited or purchases are more frequent by the people.

### 4.3.7. Malls

According to our survey in Mussoorie very few people visit malls in Mussoorie. 1% of people purchase 5-7 times from malls, 6% of people purchase more than 7 times from malls, while 8% people purchase 2-4 times from malls, and about 85% of people from our survey purchase less than 2 times from the malls. People in Mussoorie don't purchase much from the malls. The frequency of visit and purchasing from malls are very less. One of the reasons behind this is there are only 1-2 malls located in Mussoorie and people are not yet used to purchase products from malls. We have done this survey to know more about the future business scope in Mussoorie.

### 4.3.8. Online Stores

3% of people purchase 5-7 times from online stores and 6% of people purchase more than 7 times from online stores, while 18% of people purchase 2-4 times from online stores and about 73% of people purchase less than 2 times from online stores. As we can clearly see from the data, very few people are engaged in online shopping in Mussoorie. If we compare it to Delhi or any other metropolitan cities, the data would be opposite to this. The main reason behind is the lack of delivery facilities in Mussoorie. The delivery facility of all the online stores is still not available in Mussoorie. But people prefer online shopping more over purchasing from malls.

### 4.3.9. Future purchases from Different Channels

According to our survey in future malls has the highest preference by people then comes the online stores and lastly local stores. But after some period of time, only the online stores would be ruling all over. In the past years, online stores have gained a good popularity in Mussoorie. This is mainly because the online channels are cheaper as compared to that of malls moreover online shopping is much more convenient for the people for purchasing products.  There is a wide variety of products available in online shopping.

### 4.4. Correlation Coefficients (Weighted Average Method)

Correlation: Correlation is one of the most important tools that are used in statistics. Correlation is a single number that describes the degree of relationship between two variables. For example: height and weight of some people, so as height of the person increases, the weight of the person will also increase according to the height of the person.

The table highlights the significance of each of the individual parameters for Groceries and Electronics. They can be interpreted as the weighted values since they describe their individual influences on the total demand for Groceries and Electronics respectively. For example, a parameter like 'Price' affects the demand for Groceries by 21.12%, while it affects the demand for Electronics by 16.23%. Thus, by adding the individual contribution of all the parameters, we get 100% or the value 1.

**Table-1**

| PARAMETERS | Groceries | Electronics |
|---|---|---|
| Seller's Goodwill | 0.0529 | 0.0356 |
| Price | 0.2112 | 0.1623 |
| Product Quality | 0.1893 | 0.1634 |
| Discounts | 0.1047 | 0.1058 |
| Convenience | 0.0573 | 0.0880 |
| Availability | 0.0563 | 0.0788 |
| Packaging | 0.0574 | 0.0796 |
| Timely Delivery | 0.0605 | 0.0879 |
| Payment Security | 0.1525 | 0.1197 |
| Review of the product | 0.0579 | 0.0788 |
| TOTAL | 1 | 1 |

The table shows the correlation between 2 variables. In the table, price affects the demand the most while purchasing groceries. The demand for groceries is affected by 21.12%, while product quality is the main parameter which affects the demand of electronics by 16.34%. Seller's goodwill is the parameter which least affects the demand of both groceries and electronics that is 5.29% and 3.56% respectively. This data was necessary to know about the parameters' and to know more about what factor affects the most; from this information we came to know about the preferences of consumers in Mussoorie and to have new innovative business ideas.

**Table-2**

highlights the significance of each of the individual parameters for different distribution channels. They can be interpreted as the weighted values since they describe their individual influences on the total demand for Local Kirana stores, Malls and Online channels respectively. For example, a parameter like 'Payment Security' affects the preference for Local Kirana shops by 9.3%, preference for Malls by 8.06% and preference for Online stores by 8.73%. Thus, by adding the individual contribution of all the parameters, we get 100% or the value 1.

**Table-2**

| PARAMETERS | Local Kirana Stores | Malls | Online Stores |
|---|---|---|---|
| Sellers' Goodwill | 0.0473 | 0.0898 | 0.0879 |
| Price | 0.0930 | 0.0842 | 0.0814 |
| Product Quality | 0.0939 | 0.0814 | 0.0875 |
| Discounts | 0.0822 | 0.0851 | 0.0727 |
| Convenience | 0.0827 | 0.0804 | 0.0855 |
| Availability | 0.0785 | 0.0829 | 0.0781 |
| Buying Experience | 0.0848 | 0.0834 | 0.0833 |
| Timely Delivery | 0.0902 | 0.0849 | 0.0846 |
| Payment Security | 0.0930 | 0.0806 | 0.0873 |
| Review of the product | 0.0892 | 0.0833 | 0.0859 |
| Effective & satisfactory Problem Solving mechanism | 0.0893 | 0.0823 | 0.0812 |
| Processing of Large Orders | 0.0759 | 0.0819 | 0.0846 |
| TOTAL | 1 | 1 | 1 |

The table shows the various parameters which affect the demand in Local kirana stores, malls and online stores. We can clearly see from the table shown that for local kirana stores seller's goodwill is affects the least that is 4.73%, while convenience matters for the people least in case of malls and discount for the product matters the least for online stores which is about 8.55%. The data is clearly given in the table. We have done this above survey in Mussoorie for a good comparison among the mode of purchases in Mussoorie and also to get an idea about people's preferences so as to get future business ideas in Mussoorie.

**Table-3** can be considered as the correlation matrix between different distribution channels and the corresponding commodities of Groceries and Electronics. Common parameters between Tables-1 & 2 have been used to derive at all the correlation values. There are 9 common parameters. All these values need to be interpreted and analyzed by looking at the respective figures for these common parameters in Tables1 & 2.

**Table-3**

| CORRELATION MATRIX | Groceries | Electronics |
|---|---|---|
| Local Kirana Stores | 0.532 | 0.765 |
| Malls | -0.299 | -0.524 |
| Online Channels | 0.0283 | -0.0703 |

The table 3 shows the correlation between groceries and electronics; we can see from the table that both groceries and electronics are positive, it means both the variables are increasing, so there is a positive relationship between groceries and electronics, if we plot the graph of this it would be upward sloping (which shows the positive relationship).

In case of malls, there is a positive correlation as well as both the variables (i.e., groceries and electronics) are negative or we can say decreases. The graph would be upward sloping in this case.

If we look at online channels there is a negative correlation as both the variables are moving in opposite direction. The graph would be downward sloping in this case.

## 5. Business Outlook

Mussoorie is a hill station located in the Dehradun district of the northern Indian state of Uttarakhand. Mussoorie is about 35 kilometers from the capital of the state and it is about 290 kilometers from national capital of New Delhi. In Mussoorie presently people purchase products mainly from the Local Kirana stores, there are very few malls located in Mussoorie. As Mussoorie is a hill station there is not much delivery of online sites available. Online shopping there is very less as of now, but according to our survey people nowadays prefer online purchases, but due to lack of availability of delivery, people are not able to purchase from online stores. Online shopping is a very convenient and easy way of shopping; it allows consumers to buy goods directly from a seller over the internet, which is why most of the mediators are eliminated in online shopping. Online

process has both B2C (that is business to consumers) and B2B (business-to-business) available.

Also people are more attracted towards online shopping because of the large variety of goods available to choose from. Malls don't have much wide variety of products available as compared to that of online stores. Moreover the price also differs much in online stores and malls. The prices of the products are much cheaper in online stores. Also malls require huge investment to set up, there are many disadvantages of malls as well, and parking is one of the main problems in malls. So that is the reason why online stores are much more convenient for both consumers and sellers. In near future the online business has a very good scope in Mussoorie, while the purchasing from local stores will become very less.

## 6. Conclusion

We analyzed about the preferences of people of Mussoorie. We have done our survey about the experience of people about local kirana stores situated in Mussoorie, malls and online shopping. Though local kirana stores are the most popular among the people there but the online shopping is one of the preferences by people over there. People do not prefer shopping from malls much there, that is the reason the malls are very less in number over there. Nowadays online shopping is taking over all other sources of shopping; this is due to the convenience of purchase, price and a wide variety of products easily available at the doorstep of the consumers. Online shopping has many benefits over malls and other sources, it is very convenient, it has a wide variety of products, and moreover discounts are also available.

But the problem in Mussoorie is that the delivery is not yet fully available at all parts of Mussoorie, many online shopping websites do not have delivery option in Mussoorie, so this is the reason why the online shopping has not completely taken over malls and local kirana stores in Mussoorie. Online shopping eliminates the mediators, so this is the reason the products are available at cheap prices. According to our survey, the future preference of people has increased very much towards online stores.

From our research work we conclude that though the online channels or online shopping is taking all over the country, mainly in metropolitan cities like Delhi, Mumbai, Kolkata etc. but the main problem is that the delivery is not available in remote locations like Mussoorie. But still the online business is progressing day-by-day.

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