

## **Retailer selection compulsion in the subsistence markets**

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## **Response to Reviewers**

Retailer Selection Compulsion in the Subsistence Markets (JJRC\_2019\_113)

We are extremely grateful to the Editor- in-Chief for arranging our manuscript titled “Retailer Selection Compulsion in the Subsistence Markets” (JJRC\_2019\_113) to be reviewed and for providing us with meaningful feedback. We also take this opportunity to thank the reviewers for providing us with their insightful comments. We have made concerted efforts to address the concerns raised by the reviewers. In this document, we provide detailed responses to the comments raised by the reviewers.

**We would like to kindly indicate that this paper investigates a very interesting issue of Retailer Selection Compulsion in the Subsistence Markets. We, therefore, believe this paper will add to knowledge and receive good readership. We also believe the findings of this paper will be of use to the public policy makers in the emerging economies.**

## Tables

**Table 1. Demographic profiles of the respondents (n = 60)**

Characteristic	Subgroup	Frequency
Monthly income [1 INR=0.016 USD as on 23.1.2018]	Less than USD 45	33
	USD 45-75	21
	USD 76-94	4
	Above USD 94	2
Education	Illiterate (no proper schooling)	30
	Primary school (till 4 <sup>th</sup> standard)	22
	Junior High school (till 8 <sup>th</sup> standard)	08
Location	Kolkata	33
	Kharagpur	27
Gender	Male	36
	Female	24
Age	Below 30 years	11
	31-45 years	22
	46-60 years	20
	Above 60	07
Occupation	Rickshaw pullers	13
	Construction labourers	10
	Railway porters	7
	Maid servants	13
	Factory workers	11
	Vendors (Vegetable/eggs/milk/ newspaper)	4
	Unemployed	2
Average frequency of grocery shopping per week	More than 7 times	43
	4-7 times	12
	1-3 times	5

**Table 2: Final Codes, Categories and Themes**

<b>Final codes</b>	<b>Literature Or Our contribution</b>	<b>Categories</b>	<b>Theme</b>	<b>Quotes linking the codes with research question - compulsion</b>
Credit purchase	Mukherjee and Pal, 2014, Gupta and Srivastav, 2016, Choudhury et al., 2019	Services to overcome financial constraints	<b>Value added services</b>	<p><i>“only he provides credit” (Rajat, male)</i></p> <p><i>“he will not sell in credit unless we continuously buy from him”(Kabir, male)</i></p>
Packing small quantity assortments	Our contribution			<p><i>“He is happy to pack those items in those measures” (Sunita, female)</i></p> <p><i>“he will not sell loose amount to me if I do not regularly buy from him.” (Ushman, male)</i></p>
Budget adjustment				<p><i>Last week, I had just Rs 100. I went to Ramu’s (retailer) store, and said I need these items (rice, dhal, oil and vegetables) to cook for two days. He managed to give all the items within Rs 100 which were enough for my family’s two-day meals-otherwise how we survive with that tiny income. (Baby, female)</i></p>
Retailers’ knowledge of products and brands	Our contribution	Services to overcome cognitive constraints		<p><i>“I don’t understand their package or what is in there or date of manufacture. We know our neighbourhood retailer will not sell the items unfit for the use of our community.” (Bela, Female)</i></p>
Distrust on unfamiliar retailer	(Gupta and Srivastava, 2016)			<p><i>“No no, I will not go to unknown retailers. We cannot read the labels. They may cheat us.” (Ushman, male)</i></p> <p><i>“If I buy from the unknown retailer what is the guarantee that he will not sell me substandard food? We cannot read. So they can sell us bad products. Who know what they mingle in grocery items. Sometimes, they may mingle small stone chips in rice and pulses to increase its weight.”(Baby, female)</i></p>

Simple product language	Venugopal and Viswanathan, 2017; Mullainathan and Shafir, 2013 Sridharan and Viswanathan, 2008 *			<p><i>"We buy cheap brands.. name? I don't know.. that yellow small pouch of detergent". (Shaiful, male)</i></p> <p><i>"I buy das rupiya wala biscuit packet (Biscuit of 10 rupees).. the one sold in ration stores also. Jayanta (the retailer) knows the name. He sells me that biscuit only". (Asha, female)</i></p>
Stigma of being illiterate	Sridharan and Viswanathan, (2008).			<p><i>"I can't read. I feel shame of telling this to unknown retailers. Moreover, in that unknown retailer, other buyers also stand. If I ask the retailer to read what is written on the packet, all of them will look down upon me. It is better to buy from the retailer I know. (Gopali, female)</i></p>
Place to meet their friends/neighbours/ community members	Although Ritchie and Gill (2007) has mentioned about regular mingling and problem sharing among the poor to access social capital, we have contributed to the literature by identifying retail stores as one such meeting place.	<b>Need for Social capital</b> (Viswanathan et al., 2014, Ritchie and Gill 2007)	<b>Social compulsion</b>	<p><i>"My evening relaxation is a cup of tea and biscuits with my friends and Raghu (the retailer). If I have any problem, I share there. My neighbors and also Raghu help me a lot in times of my urgent need." (Kishore, male)</i></p> <p><i>"How can I forget how Ramabalak (neighbour) helped me during my daughter's marriage? I was unable to arrange for the money and he gave me Rs. 20,000 as credit. I meet them often in nearby Madhudada (the retailer)". (Shankar, male)</i></p>
Social ties and norms become binding obligations	Our contribution			<p><i>"See I supply eggs and milk to his shop. If I do not buy my daily stuffs from him why should he buy from me?" (Ramapati, male)</i></p>
Similar identity (poor)	Homburg, Wieseke, & Hoyer, 2009 Lam, Ahearne, Hu, & Schillewaert, 2010	<b>Maintaining social identity</b>		<p><i>"All my neighbors buy from him. They are also poor. They feel my problem." (Raja, male)</i></p>

Fear of losing group membership	Homburg et al., 2009 Jagdale et al. 2018			<i>“In our community, we all buy from the same retailer. We are all rickshaw pullers. The retailer is also from our community. If I buy from someone else, he will instigate our community people against us and the latter will become angry on us and avoid us. See we are all poor. We need each other’s help in various situations. So I cannot take a chance to buy from somewhere else.” (Nandu, male)</i>
Social stigma of being poor	Sridharan and Viswanathan (2008)			<i>“Once I was buying from a retail store near my workplace. I did not had enough money and had to return some goods while paying the bill. People were looking at me. I felt ashamed. I am comfortable in Raghu’s shop, he is also poor like me. He understands my problem.” (Kavita, female)</i>
Proximity to home	Viswanathan, et al. (2009)		<b>Convenience as a choice compulsion</b>	<i>“It is just two houses after my house. My wife and children can go and buy required small stuffs from him any time during the day. He charges little more, but I do not have time to go to other stores or city. We have to depend on him.”(Mrityunjay, male)</i>
Cost	Our contribution			<i>I buy household items every alternate days depending on my earnings of the day. I cannot buy 1 Kg rice or sugar at a time. I usually buy whatever I can in INR 50 at a time. The local retailer charges 2-3 rupees more per purchase as we buy in small quantities. But that is less than the cost of taking bus and going to the Super Market or Bigbazaar. The rich people buy in bulk and get heavy discounts from the malls. So it is fine for them to bear the transportation cost. So we have to buy from local retailer only (Krishna, male)</i>
Informal trading hours	Our contribution			<i>“In the morning when none of the shops are open, I keep my grocery bag to Madhu’s (neighborhood retailer) house. When I come back I collect the items from his home.”(Anup, male)</i>

\*Sridharan and Viswanathan (2008) have mentioned the same as pictographic thinking. Since we have identified additional codes like “biscuit packet priced at Rs. 10” etc. which are not pictorial in nature, we have renamed this code *simple product language*.

## **Response to Reviewer 1's comments**

### **Comment**

The language and sentence construction makes the manuscript hard to read and understand.

### **Response**

Thanks for this comment.

As you kindly suggested, we have now employed a professional copy editor to proof read the entire manuscript. The editor is from an English-speaking Western country and is a native English proofreader. This person has extensive experience in editing and proof-reading articles published in highly reputed journals. The copy editor has placed special emphasis on improving language, sentence construction and clarity of expression in this version of paper.

### **Comment**

The "why" of this research is not strong enough - why does this research matter?

### **Response**

Thanks for this comment. We have now strengthened the rationale- the "why" part- for this study in the introduction section. This explanation has been highlighted in the revised manuscript and reads as follows;

The negative side of the enduring relationship has not yet been sufficiently investigated, despite scholars suggesting that there are negative consequences of enduring relationships in subsistence markets (Viswanathan, Rosa, and Ruth, 2010; Viswanathan et al., 2012). Compelling factors or constraints may lock in the subsistence consumers to shop at certain retailers. The issue of retailer selection compulsion and the factors driving this compulsion have not yet been empirically examined. Hence, there is a lack of understanding of how subsistence consumers choose a retailer and why they stick to them, which restricts the capacity of the marketers, particularly the multinational companies targeting subsistence consumers, in effectively serving them. The compulsion in retailer selection in the subsistence marketplaces

results in the exploitative practices of the subsistence retailers on poor people (Chowdhury, Mukherjee, and Datta, 2019). For example, the retailers tend to charge higher prices and sell counterfeited and expired products that are not fit for consumption (Gupta and Srivastav, 2016). A lack of understanding of compulsion in retailer selection in these areas prevents the marketers, retailers, and government authorities in establishing innovative distributions channels that can address the exploitative practices of the subsistence retailers.

### **Comment**

The information presented in lacking cohesiveness, there is a lot of information - make it more succinct and too the point.

### **Response**

Thanks for this comment. We have slightly trimmed down arguments presented in the introduction and literature review sections. Accordingly, the length of introduction section has been reduced by one page. Specifically, the paragraph below has been trimmed down significantly,

Although the extant literature has portrayed that long-term relationships between buyers and sellers lock in subsistence consumers with a particular retailer, these consumers are also compelled to stick to a particular retailer due to certain constraints. For instance, when they need to purchase items from retail stores, they tend to face financial constraints. As a result, they can make only a partial payment or nothing at all at the time of purchase. In such circumstances, the local subsistence retailer would grant them the items on credit because they are from the same neighbourhood community. Despite subsistence consumers' knowledge that the items they are purchasing may not be the best in price or quality (Viswanathan, Rosa, and Ruth, 2010), they are compelled to purchase from the retailer due to their personal financial constraints. Subsistence consumers also have other constraints, such as a lack of education, which prevents them from reading and understanding product labels, store signs, and product



use instructions. This discussion indicates that there is a compulsion among subsistence consumers to stick to a particular retailer and continuously purchase from them.

Similarly, in this revised version, we have significantly tightened arguments presented in the literature review section, thereby shortening the entire literature review by two pages. In the method section too, we slightly tightened arguments, particularly the description for the context of the study, thus reducing overall method section by around one page. However, we are unable to reduce the other details presented under method and analysis sections since they are required to ensure the validity, transparency and replication of the study's procedures. Overall, we believe these alterations make the arguments cohesive and succinct.

### **Comment**

Implication- Again how does this impact the retail industry - I agree this is an important topic - but again, make a stronger why.

### **Response**

Thanks for this comment. As we previously indicated, the negative side of enduring relationship between subsistence retailers and customers results in a compulsion to purchase from some selected retailers. Therefore, subsistence customers tend to be exploited by subsistence retailers. A deeper investigation into this compulsion will enable establishing an effective retail and distribution network that can address the exploitative practices caused by subsistence retailers on subsistence customers. Therefore, this study has several practical implications for the retail industry, particularly for the retail and distribution activities carried out in subsistence areas. We have highlighted this point in the introduction section which reads follows;

The compulsion in retailer selection in the subsistence marketplaces results in the exploitative practices of the subsistence retailers on poor people (Chowdhury, Mukherjee, and Datta, 2019). For example, the retailers tend to charge higher prices and sell counterfeited and expired products that are not fit for consumption (Gupta and Srivastav, 2016). A lack of understanding of compulsion in retailer selection in these areas prevents the marketers, retailers, and government authorities in establishing innovative distributions channels that can address the exploitative practices of the subsistence retailers.

In the practical implications section, we have reiterated these points again and very specifically suggested how retailing and distribution activities can be strengthened in subsistence markets. In particular, we have now added a paragraph in the practical implications section, which articulates how the findings of this study can be useful in strengthening the retailing activities of subsistence retailers. These specific implications have been highlighted in the revised manuscript which read as follows;

The findings of this study will also be useful for policy makers, government authorities, and other stakeholders who are interested in strengthening retailing activities in subsistence areas. They may encourage retailers to learn customers' product language so that customers will feel more comfortable in communicating with them. They should also encourage the retailers to maintain close ties with customers in their community, mingle with them regularly (for example, by attending their social events like marriages), and to adopt a similar identity to their neighbourhood customers. Such a relationship marketing approach will strengthen the customers' bond with the retailers and enable them to interact with the retailers easily. The findings show that subsistence customers purchase in small and loose measure and expect the retailers to provide them advice on how to purchase required items within their tiny grocery

budget. Hence, the stakeholders should encourage the retailers to provide these services. Most importantly, stakeholders should consider taking measures to ensure that subsistence retailers do not exploit the customers by selling to them at a higher price or by selling expired items. The stakeholders may set up a body or an organisation to monitor retailing activities in the subsistence areas.

In addition to strengthening the retailing activities of subsistence retailers, the findings are also useful to the convenience goods marketers who target subsistence markets. They may use these findings to strengthen their retail and distribution activities. These implications also indicate the impact of this study on the retail industry. These specific implications have been highlighted in the revised manuscript which read as follows;

#### **6. Implications for practice**

Besides making academic contributions, the findings of this study have several practical implications for the convenience goods marketers who target subsistence markets, particularly those with similar socio-economic characteristics to the context of this study. The leading FMCG marketers, such as Unilever, Coca-Cola, Nestle' and Procter and Gamble, make considerable investments to expand their marketing activities to subsistence markets (Jebarajakirthy and Thaichon, 2016). The findings of this study are useful to them in better comprehending how subsistence consumers choose their retailers, and how they interact with them, which will enable the marketers to tailor their marketing strategies accordingly. Particularly, the findings are useful for them in strengthening their distribution channels in subsistence markets, thus improving retail and distribution activities in subsistence markets. Some specific implications of the study are detailed below.

First, the findings indicate that subsistence consumers tend to buy their grocery items from neighbourhood retailers due to proximity to their home. We, therefore, recommend that the marketers examine their distribution channel and make sure their items reach subsistence retailers operating in small villages of subsistence regions. Companies can consider employing cash vans to distribute their products to both micro-retailers in rural areas and directly to consumers. For example, Emami, a beauty, healthcare, and FMCG marketer in India has launched their “Project Swadesh” strategy where they use such vans to connect with consumers and retailers in rural areas and boost their stock in micro-retail stores. The other FMCG companies and local small-scale companies can take a similar approach to distribute their products to subsistence markets effectively.

Our findings show that social identity matters to subsistence consumers while choosing their retailers. Particularly, due to their stigma of being poor, subsistence consumers tend to distance themselves from consumers and retailers who are not very close or familiar to them. Marketers could use some innovative distribution channels to capitalise on the connectedness existing in close-knit subsistence communities. For example, Hindustan Lever has implemented a scheme called “Project Shakti” where they recruit women from rural areas to distribute their products within their close network. These women are from the same subsistence community as consumers and have close ties with neighbourhood consumers. Moreover, they have similar socio-economic conditions and a similar identity as neighbourhood subsistence consumers; thus, subsistence consumers feel comfortable to associate with them. Other companies and marketers could use a similar network model to distribute their products.

Our findings have shown that subsistence consumers face both cognitive and financial constraints. Particularly, they buy items on credit. Hence, it is advisable for marketers targeting subsistence consumers to incorporate a credit mechanism into the rural distribution model (e.g.

“Project Shakti”) mentioned earlier. The marketers may distribute products to consumers on a credit basis via female distributors in rural areas and make the women responsible for collecting the credit. The findings also showed that due to financial constraints, subsistence consumers often buy small quantities and in loose measure. Hence, marketers should pack their items in small quantities. They may also consider selling items to subsistence consumers in loose measure via the rural distribution model suggested earlier. For example, this may involve training the female distributors in their model to sell items in loose measure. The findings show that due to their cognitive constraints, the consumers depend on the retailers’ knowledge to choose grocery items and brands. Hence, we encourage marketers to organise workshops for subsistence retailers and female distributors in their rural distribution model, wherein they can inculcate the knowledge of their brands and products.

The recommendations given above will enable marketers targeting subsistence markets to market their products effectively. The recommendations will also contribute to strengthening rural distribution models, such as “Project Shakti”, thereby furthering the entrepreneurial activities of rural women in subsistence markets. Moreover, the recommendations will be useful in improving the retailing activities of subsistence retailers and addressing exploitations of subsistence consumers by retailers. Overall, the recommendations given above will be useful in establishing an effective retail and distribution network in subsistence markets.

### **Comment**

Research model - This needs to be re-worked, the model in it's current state is very confusing, additionally, you have provided descriptions for variables and included them in the model, please use a more comprehensive variable name. Also, provide better explanations for the model proposed paths.

## **Response**

Thanks for this comment. If you could indicate why this model is confusing or which part of the model is confusing, we will be able to provide better explanation to address your concerns. As we have indicated in the manuscript, this model is a simple visual demonstration of the key findings- and shows the propositions derived from the findings. Since you are happy with the findings, the model should be insightful. We have now used the same serial numbers (1-5) to all the propositions within the text in correspondence to the numbers given in Figure 1- framework. This numbering system will assist us in easily relating the framework with the propositions shown in the text. In fact, the other reviewer is positive and happy with the model, has indicated that the model has been built on the propositions. Your kind understanding in this regard is greatly appreciated. We have highlighted the following points in the revised manuscript which may address your concerns regarding the model.

Figure 2 that summarises the findings of this study. The framework also shows the propositions derived from the findings. This framework illustrates the retailer selection compulsion in the subsistence market and will enable future researchers to examine this issue using survey-based quantitative studies.

Part of the comment reads “you have provided descriptions for variables and included them in the model, please use a more comprehensive variable name”. In response, we advise you that these are not variables, but codes, categories and themes identified from qualitative- thematic analysis. The findings from thematic analysis are shown in Table 2. We kindly advise you to corroborate “Figure 2- Framework” with “Table 2” which will give a better understanding of the framework and codes, categories and themes demonstrated in the framework. Your kind understanding in this regard is greatly appreciated. However, in response to your feedback, we

have now shortened the terms used in the “Figure 2- Framework” to make it more appealing, so that they may look like variables.

Part of the comment reads “Also, provide better explanations for the model proposed paths”. In response, we advise you that we have given detailed explanation to each path- how codes form categories which in turn form themes. As previously indicated, “Table 2” and these paths should be looked at together for a better understanding. Your kind understanding in this regard is appreciated. We have now highlighted this explanation in the revised manuscript which reads as follows,

As the framework demonstrates, subsistence consumers feel that it’s more convenient to shop at their neighbourhood retail store because subsistence consumers encounter constraints, such as limited access to organised retail stores (proximity to home), high transportation costs, and time restrictions in accessing organised stores. As a result, they are compelled to stick to the retailer (refer to *Proposition 1*). Social capital and obligations, as well as a shared social identity, resulting from the sense of social compulsions, also compel them to stick to a neighbourhood retailer. Poor subsistence consumers maintain close-knits and connections with their neighbourhood community, which they use to find social capital, such as microloans from the members of their close-knit community. Their concerns about social capital also become obligations and compulsions for subsistence consumers to stick to neighbourhood retailers (refer to *Proposition 2*). Fellow feelings and identity, fear of losing group identity (social exclusion), and stigma of being poor all influence subsistence consumers to identify themselves with a neighbourhood retailer; thus, this compels them to stick to the retailer (refer to *Proposition 3*).

As the framework demonstrates, value-added services provided by retailers to overcome financial and cognitive constraints faced by subsistence consumers also compel them to stick to a neighbourhood retailer. Subsistence consumers receive various services from their neighbourhood retailers, such as credit purchases, budget adjustments, and the packing of small quantity assortments, which helps them overcome their financial constraints, thereby compelling them to stick to those retailers (refer to *Proposition 4*). Finally, subsistence consumers tend to have cognitive limitations in recalling brand names and understanding usage and application of products, and information from product labels or advertisements. They depend on subsistence neighbourhood retailers to overcome this challenge. Their cognitive limitations and a lack of product knowledge result in distrust and stigma associated with purchasing from unfamiliar retailers. Hence, subsistence consumers' scepticism of purchasing from unfamiliar retailers, their stigma of being low-literate, neighbourhood retailers' knowledge of products and brands and their ability to understand the consumers' use of simple product language, compel subsistence consumers to stick to their neighbourhood retailer (refer to *Proposition 5*).

We again thank the reviewer for the insightful comments. We have addressed each of your comments to the best of our capacity. We believe that our responses to these comments have made the paper much stronger. We hope you agree with the responses we have given.



## **Response to 2<sup>nd</sup> Reviewer comments**

### **Comment**

The purpose of this study is to “investigate the factors driving the retailer selection compulsion in the subsistence market through the lenses of the social capital theory, the social identity theory, and the bounded rationality theory.” In addition, as per RQ2, the study aims at understanding how such consumer compulsion locks buyers to local subsistence retailers.

The study is fully supported conceptually by three essential theories contributing to the understanding of retailer selection compulsion of subsistence consumers (social capital theory, social identity theory, and bounded rationality theory). In turn, the framework offered and summarized in Figure 1, that resulted from a qualitative phenomenological methodology used, aligned appropriately with those theoretical contributions.

### **Response**

Many thanks for your positive comments about the objectives and research questions of the study, model proposed in the study, study’s alignment with the theories and the theoretical contributions of the study. We greatly appreciate your solid understanding of all the components of our study.

### **Comment**

The formulated research questions (2) are not answered separately, mainly because the factors the research uncovered (at least 2) are the same locking mechanisms used by retailers in their compulsory relationship with subsistence buyers. Thus, only RQ1 should remain in the study.

**Response**

Thanks for this comment. We do agree with your comment and the both research questions address almost the same thing. We therefore retain only the first research question and drop the second one.

**Comment**

For the validity check, many procedures are conveyed. Yet, only the third one offered (“an analysis was done by merging respondents’ views with the theoretical underpinnings, which gave insightful interpretations to our findings”) seems to be an effective measure of validity in this qualitative study. Thus, Table 2 should be more thoroughly utilized in the text to support validity. An improved Table 2 should be part of the paper, not an appendix.

**Response**

Thanks for this comment and for acknowledging the use of the third method for validity checking. As you agreed, the third validity checking method was effective. After each level of coding, we referred to the extant literature to ensure the consistency of our findings with the extant literature. For example, we have obtained the raw codes “goods on credit” and “product for non-payment”. Similar concepts have been mentioned by Mukherjee and Pal, (2014) and Gupta and Srivastav (2016) where they have named them as “Credit purchase”. Therefore, our final open code was “Credit purchase”.

Similarly, Sridharan and Viswanathan (2008) have indicated that the subsistence consumers recognise products using pictographic thinking. Likewise, we have also identified additional codes like “the soap with Kareena’s photo (a film star)”, “Green soap” etc. which are pictorial in nature. However, while examining how the subsistence consumers recognise the brands, we also obtained additional raw codes, such as “he understands”, “the same detergent as last time”, “biscuit packet priced at Rs. 10”, “Cheap products”, “small packets” etc., hence, we have named this code as *simple product language* which is consistent with the extant literature (Sridharan and Viswanathan, 2008). Along with the raw codes, we have also looked at quotations to categorise the codes into categories which we have presented in Table 2. For example, three final open codes “Similar identity (poor)”, “Fear of losing group membership”, and “Social stigma of being poor” have been merged into a category called “Maintaining social identity” following the extant literature (Homburg, Wieseke, & Hoyer, 2009; Lam, Ahearne, Hu, & Schillewaert, 2010; Jagdale et al. 2018; Sridharan and Viswanathan, 2008). Some of the corresponding statements were,

*“Raghu (retailer) is as poor as me and my neighbours. We are comfortable to buy from him. He will not look down upon us” (Kishore, male)*

*“We are staying in the same neighbourhood for years. We meet in every occasions and festivals. All others in the neighbourhood are buying from Nevin (retailer). Nevin is our grocery supplier. If I do not buy from him my neighbours will feel I am avoiding them and they will also avoid me.” (Kabir, male)*

This way, an analysis was done by merging respondents’ views with the theoretical underpinnings, which gave insightful interpretations to our findings.

However, since many of our codes and themes were novel, it was not possible to validate them from the literature. For example, “Social ties and norms become binding obligations” is a novel code to the literature that was supported by the respondent’s quotes as follows.

*“I cultivate vegetables and sell them to Raghu (retailer). If I stop buying from him, he will stop buying from me. Though he charges bit more for items, he helps me sell my vegetables. Where else I can sell my vegetables. I can’t sell my vegetables to retailers serving rich people.  
(Kishore, Male)*

Therefore, we had to resort to other methods as well to ensure the validity of the study’s findings. To ensure the transparency in the methods and analysis, we have indicated all the steps adopted for ensuring the validity.

Part of the comment reads “Thus, Table 2 should be more thoroughly utilized in the text to support validity”. We do agree with you that Table 2 is useful for ensuring validity. It links exemplary quotes with the themes and categories derived, thus suggesting the validity of the findings. We therefore agree that Table 2 should be part of the manuscript, and accordingly we have now included it in the manuscript. We have indicated this in the revised manuscript.

Finally, qualitative researchers (Elliot et al., 1999; Baker et al., 2002; Smith, 1996; Popay et al., 1998) suggest presenting quotes to support themes and categories. Accordingly, in the present analysis, exemplary quotes support the themes and categories reported in the “Analysis and Findings” section, as well as in Table 2.

As you suggested, we have already used Table to predict the validity of the findings and we have now included Table 2 within the text. However, the comments read “Thus, Table 2 should be more thoroughly utilized in the text to support validity”. “An improved Table 2 should be part of the paper, not an appendix”. We are not very clear about what you mean by “more

thoroughly utilising the Table” or “An improved Table 2”. If you can make these terms clear and very specific to us, we will attempt to respond to you in detail. Your kind understanding in this regard is greatly appreciated.

## **Comment**

Each section of the findings concludes with the formulation of a proposition, which in turn links the results of the research to the theories applied. The approach is commendable. Just number the propositions (from 1 to 5) in the text in correspondence to the numbers given in Figure 1 for easy examination. Also, revise the claim that the framework shown in Figure 1 is a conceptual model. It is not.

## **Response**

Thanks for this comment. We appreciate your understanding of the way we have derived propositions from our findings. As you advised, we have now given a serial number (1-5) to all the propositions within the text in correspondence to the numbers given in Figure 1- framework. This numbering system will assist us in easily relating the framework with the propositions shown in the text. These numbered propositions have been highlighted in the revised manuscript which are shown below;

### ***Proposition 1***

*Proximity to the neighbourhood retailer and the constraints related to limited access to organised retail formats (supermarket and malls) due to high transportation costs and time restrictions compel subsistence consumers to stick to neighbourhood retailers and purchase from them.*

### ***Proposition 2***

*The need for social capital acts as a compulsion for the subsistence consumers to stick to a neighbourhood retailer.*

### ***Proposition 3***

*Fellow feelings, fear of losing group identity, and social stigma of being poor encourage subsistence consumers to identify themselves with a neighbourhood retailer, which compels them to stick to the retailer.*

### ***Proposition 4***

*Neighbourhood retailers provide various services, such as credit purchases, budget adjustments, and packages of smaller quantities for subsistence consumers to help overcome the latter's financial constraints, which compels them to stick to these retailers.*

***Proposition 5***

*Subsistence consumers' scepticism and fear of transacting beyond their neighbourhood community retailers, the stigma of being low-literate, and neighbourhood retailers' knowledge of products and brands and their abilities to understand consumers' use of simple product language all compel subsistence consumers to stick with their neighbourhood retailer.*

Part of the comment reads “revise the claim that the framework shown in Figure 1 is a conceptual model. It is not.”. We do agree with you it is not a conceptual model. What we meant in that phrase is that it may serve the purpose of the conceptual model to trigger quantitative studies to examine the same issue- retailer selection compulsion in the subsistence market. However, as this term may mislead readers, we have now dropped the term “conceptual model” from this sentence and slightly revised this sentence. This revised sentence has been highlighted in the revised manuscript which reads as follows;

**Proposed framework of retailer selection compulsion in subsistence market**

A framework is presented in Figure 2 that summarises the findings of this study. The framework also shows the propositions derived from the findings. This framework illustrates the retailer selection compulsion in the subsistence market and will enable future researchers to examine this issue using survey-based quantitative studies.

**Comment**

The repeated remark of retailer selection compulsion as a negative characteristic in the relationship between local retailers and subsistence consumers is exaggerated. Some retailers' services, such as those value-added services, facilitate transactions (credit, product availability, etc.) and supply needed information (financial and product related) to consumers cognitively

limited to obtain such information on their own. Those services seem to be a positive characteristic of the relationship.

### **Response**

Thanks for this comment. As you advised, retailers provide services to overcome both financial and cognitive constraints of subsistence customers. However, these services do not come without its negative effects. In other words, subsistence customers receive these services at the cost of some exploitations- e.g.; paying higher prices. These negative effects and value-added services are integrated. Your kind understanding in this regard is greatly appreciated. We have explained this in the revised manuscript which reads as follows;

Subsistence consumers require these services to meet their daily requirements. However, as we have demonstrated in this section, subsistence consumers feel that the retailer will not provide them with the assistance mentioned above unless they continuously buy from them. They tend to tolerate the opportunistic and exploitative arrangements by retailers to get these services.

This finding implies that subsistence consumers are often compelled to make sub-optimal choices while choosing retailers. Due to their financial challenges, subsistence consumers consider some retailers as their best choice, though they are aware that they can get better deals elsewhere. The underpinnings of bounded rationality theory can be applied to explain this scenario, which postulates that decision-makers are aware that they make sub-optimal choices due to some constraints (Simon, 1957; Bonal and Zancajo, 2018). Similarly, the findings in this section indicate that financial constraints bound subsistence customers' rationality of choosing the best retailer; hence, they opt for sub-optimal choices relating to their retailer. Consequently, they are compelled to stick to the retailer. From these findings, the following proposition is suggested:

Our respondents were aware that they pay slightly higher prices at the neighbourhood retailer, but they cannot switch from the retailer because of their cognitive constraints. Due to their cognitive constraints, they encounter scepticism and fear about transacting beyond the neighbourhood community retailers. These constraints include the stigma of being low-literate, a lack of capacity to understand and process product and brand information, the inability to express brand names, and the tendency to describe brands with simple language. As a result, they are unable to switch from their neighbourhood retailer. Due to their cognitive constraints and the associated negative consequences, subsistence consumers are bound to make sub-optimal choices relating to their retailer, though they know they pay slightly higher prices there. The following sample quotations also evidence that these value-added services come with negative effects;

*"I cannot read English. Last time, I bought one VIM bar from a shop near my factory. My son said it was not VIM bar. On the pack, it was written VIN. My son said it was a fake brand. Another day, I bought rice for Rs. 30 at the retail store near my factory, and he filled this container (he showed a small container). He gave me at least two handfuls of rice less. Therefore, it is better to buy from Raghu (neighbourhood retailer), even at a slightly higher price." (Narayan, male).*

*"Though this shop takes little more price but always give the products even for non-payment also. I am a casual labourer in Jute mill, and the mill does not operate throughout the year. I purchase my grocery items from this shop on credit and repay the amount after getting money. This shop-keeper sometimes lends Rs. 500/- to 1000/- also. ... He is not going to give me goods on credit if I buy from elsewhere. I know that the railway shops provide good products at a lesser price. But what to do? Given my*



*financial limitations, this is the only alternative that I have. I cannot see my family starving.”(Bhanu, male)*

### **Comment**

The implications for practice contemplate only recommendation for FMCG marketers (Unilever, Coca-Cola, Nestlé, etc.). They should also relate to the neighborhood retailers. These retailers can be less negative to their own subsistence buyers if they can avoid selling goods that have expired or brands that are obsolete, among other deceptive practices against the consumer. Neighborhood retailers can also become good marketers and be more accountable to their own customers.

### **Response**

Thanks for this comment. As you indicated, in the present form of this paper, the practical implications have been given only for FMCG marketers. However, recommendations should also relate to neighbourhood retailers who play an important role in the retailing activities in the subsistence areas, and in the issue of retailer selection compulsion, in particular. Accordingly, we have now added a paragraph which provides some insightful recommendations for improving the retailing activities in the subsistence areas. These implications have been highlighted in the revised manuscript and read as follows;

The findings of this study will also be useful for policy makers, government authorities, and other stakeholders who are interested in strengthening retailing activities in subsistence areas. They may encourage retailers to learn customers’ product language so that customers will feel more comfortable in communicating with them. They should also encourage the retailers to maintain close ties with customers in their community, mingle with them regularly (for example, by attending their social events like marriages), and to adopt a similar identity to their neighbourhood customers. Such a relationship marketing approach will strengthen the customers’ bond with the retailers and enable them to interact with the retailers easily. The

findings show that subsistence customers purchase in small and loose measure and expect the retailers to provide them advice on how to purchase required items within their tiny grocery budget. Hence, the stakeholders should encourage the retailers to provide these services. Most importantly, stakeholders should consider taking measures to ensure that subsistence retailers do not exploit the customers by selling to them at a higher price or by selling expired items. The stakeholders may set up a body or an organisation to monitor retailing activities in the subsistence areas.

The recommendations given above will enable marketers targeting subsistence markets to market their products effectively. The recommendations will also contribute to strengthening rural distribution models, such as “Project Shakti”, thereby furthering the entrepreneurial activities of rural women in subsistence markets. Moreover, the recommendations will be useful in improving the retailing activities of subsistence retailers and addressing exploitations of subsistence consumers by retailers. Overall, the recommendations given above will be useful in establishing an effective retail and distribution network in subsistence markets.

### **Comment**

Regarding future research, quantitative studies seem to be appropriate, but not only because of the limited reasons supplied (like measuring retailer selection compulsion and generalizing the findings to the wider population of subsistence consumers). The formulated propositions capture low level regularities in the behavior of 60 respondents. More respondents in this and other contexts would strengthen those regularities and allow for increasing generalizations as shown in trends, patterns, and hopefully law-like generalizations that can enrich a broader theoretical framework.

### **Response**

Thanks for this comment. We do agree with your argument that the propositions captured from the data collected from 60 respondents do not allow for the generalization of the findings. We have already indicated this in the manuscript which reads as follows;

We have adopted a constructivist approach for this study that assumes the phenomenon of a study is time- and context-specific (Denzin, 1983). Qualitative constructivists believe “there is no generalisation” (Lincoln and Guba, 1985). Therefore, the findings, propositions, and framework emerging from this study reflect the subjective experience of the subsistence consumers living in two areas: Kolkata and Kharagpur in the Indian state of West Bengal. The interactions between subsistence consumers and retailers might vary in other subsistence contexts. Hence, generalising the findings, propositions, and framework of this study to all subsistence contexts is not possible.

Quantitative studies involving larger sample are required to allow the generalizations of the propositions, patterns, theoretical framework suggested in this study. This point has been indicated in the revised manuscript which reads as follows;

They may use a large sample for such a study, which will enable them to generalise the findings to the wider population of subsistence consumers. That is, the propositions captured from the qualitative data collected from 60 respondents do not allow for the generalisation of the findings. Hence, quantitative studies involving a larger sample are required to allow the generalisations of the propositions, patterns, and theoretical framework suggested in this study.

#### **Comment**

The abstract needs to be comprehensive and reflect the entire study, and so the highlights listed separately.

#### **Response**

Thanks for this comment. As you kindly suggested, we have now slightly expanded the abstract to be comprehensive and to reflect the entire study. The abstract stands different from the points listed in highlights. However, the word count applies to abstract and hence within the available word count, we have slightly expanded the abstract. Your kind understanding in this regard is greatly appreciated. The revised abstract has been highlighted in the revised manuscript which reads as follows;

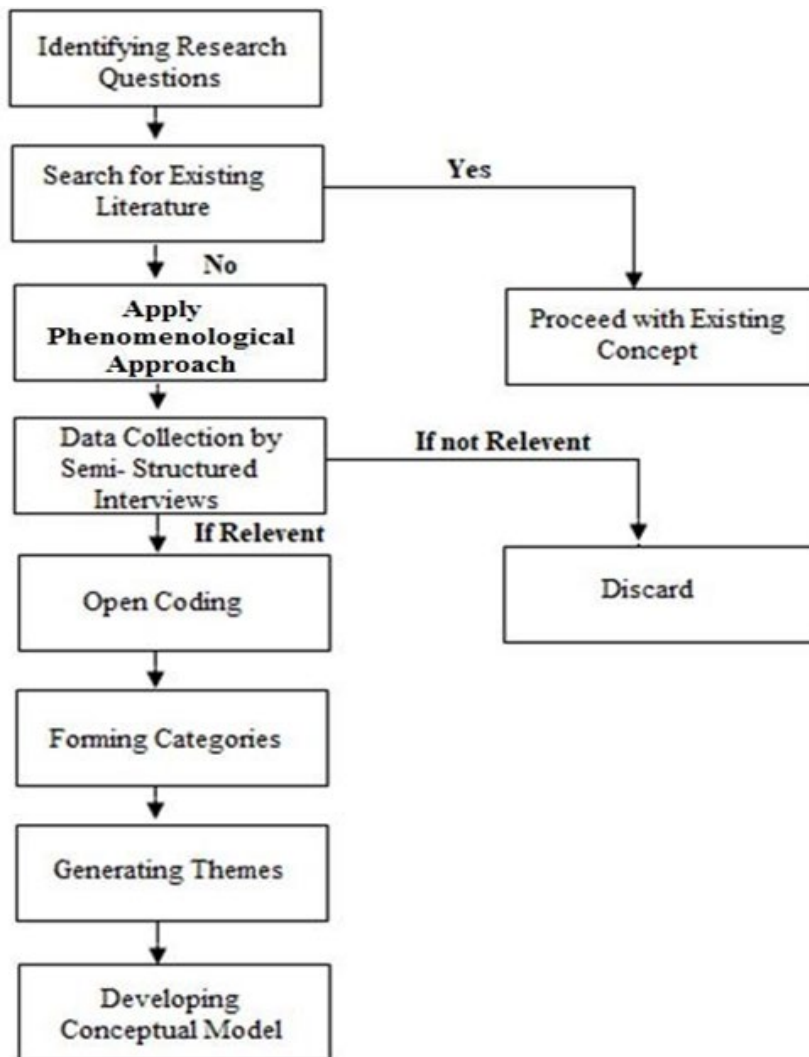
## Abstract

Although enduring relationships between buyers and sellers encourage subsistence market consumers to shop at a particular retailer, these relationships have a negative side. This study focuses on the issue of ‘retailer selection compulsion’ existing in the subsistence market, which refers to the negative side of these relationships. The purpose of this study is to investigate the factors driving the retailer selection compulsion in the subsistence market. This study adopted a qualitative phenomenological approach. Sixty interviews were conducted with subsistence consumers in two areas: Kolkata and Kharagpur, in the Indian state of West Bengal. The findings have demonstrated that subsistence consumers are compelled to stick to their neighbourhood retailers due to convenience, social capital, and obligations, as well as social identities resulting from a sense of social compulsion, and the value-added services provided by retailers that help overcome the consumers' financial and cognitive constraints. This study contributes to the literature on customer behaviour and retailing. These findings deepen the current understanding of the social capital theory, social identity theory, and bounded rationality theory in the context of subsistence marketplaces. Practically, the findings of this study will contribute to the practice of marketers who target subsistence markets. The findings will also help further entrepreneurial activities in subsistence areas, improve the retailing activities of subsistence retailers, and address exploitative practices of subsistence retailers on poor customers.

**Keywords-** *Subsistence marketplace, retailing, compulsion, social capital theory, social identity theory, bounded rationality theory.*

**We again thank the reviewer for the insightful comments. We have addressed each of the reviewer’s comments to the best of our capacity. We believe that our responses to these comments have made the paper much stronger. We hope you agree with the responses we have given.**

Figure 1. The process of qualitative research



**Figure 2: Framework of retailer selection compulsion in subsistence market**

