

PARADIGM SHIFT IN RETAIL EXPERIENCE AND PREFERENCE OF CUSTOMERS IN INDIA

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ABSTRACT

The organized retail sector's growth potential is expected to increase due to globalization, high economic growth and improved lifestyle. Organized retail is a new phenomenon in India and despite the downturns, the market is growing exponentially. Economic growth brings more of India's people into the consuming classes. With tremendous potential and huge population, India is set for high growth in consumer expenditure. The study tries to find the factors affecting perception of customers in organized retail. It also tries to find out the attitude of employees towards customers and preference of customers for online purchase. The data has been collected from both primary sources and secondary sources. A five point likert scale is used for this purpose. A sample of 100 respondents is taken from Delhi and NCR. Statistical tool was applied to data. Factor Analysis was carried out, four factors were derived namely store outlook, store efficiency, employee behavior and customer preference. The results show positive attitude of customers towards organized retail.

Keywords: Retail, Customers, Perception, Preference, Experience.

INTRODUCTION

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organized retailing. According to Kearney Report 2019, GDP growth, improved ease of doing business, and better clarity regarding foreign direct investment regulations puts India in 2nd place. India is now the world's fastest growing economy, overtaking China. Retail demand is increasingly driven by urbanization, an expanding middle class, and more women entering the workforce. India remains a challenging and complex market for foreign retailers. India's strong ranking reflects foreign retailers' increased optimism in the \$1 trillion retail market and its vast potential. By 2026, the Indian e-commerce market is expected to grow to US\$ 200 billion.

Companies like Tata, Reliance, Adani Enterprise and Bharti have been investing considerably in the booming Indian Retail market. Along with these giant retailers, a number of transnational brands have also entered into the market to set up retail chains in close association with bigger Indian companies. Cities and towns in India are witnessing a major shift in consumer preferences and lifestyles, the result of which, they have emerged as attractive markets for retailers to expand their presence. The Indian retail sector is highly fragmented and the unorganized sector has around 13 million retail outlets that account for around 96% of the total Indian retail industry. The growing middle class is an important factor contributing to the growth of retail in India. By 2030, it is estimated that 91 million households will be 'middle class'. Also by 2030, 570 million people are expected to live in cities. Thus, with tremendous potential and huge population, India is set for high growth in consumer expenditure.

With India's large 'young' population and high domestic consumption, the macro trends for

the sector look favorable. According to Subhashini Kaul (2005) consumers satisfied with the store's service quality are most likely to remain loyal. Service quality is being increasingly perceived as a tool to increase value for the consumer, as a means of positioning in a competitive environment to ensure consumer satisfaction, retention and patronage. Tamilarasan (2007) studied in depth the variety of store dimensions and service quality dimensions and revealed that all these dimensions have to be of the changing and emerging retail scenario in India. Thirumoorthi (2006) concluded that the company must concentrate more on high margin to create a better performance. Importance must be given to sales promotion. The retailers must also be asked to give more displays and discounts in Table 1 & Table 2.

Gender	Male	47%
	Female	53%
Age	18-23	3%
	24-29	28%
	30-35	23%
	36-40	18%
	41-45	14%
	46 and above	14%
Education	Up to 12	36%
	Graduation	35%
	Post Graduation	29%
Marital Status	Married	51%
	Unmarried	49%

S.No.	Statements	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree	Mean
1	Store has modern outlook	15	43	22	20	0	3.53
2	Arrangement of goods is attractive in store	13	44	21	22	0	3.48
3	Store layout makes it easy to move around	8	50	27	15	0	3.51
4	Store offers a great variety of products	19	77	3	1	0	4.14
5	There is sufficient stock available in this store	25	74	0	1	0	4.23
6	Products are good in quality	23	73	4	0	0	4.19
7	Store gives individual attention to customers	1	47	46	6	0	3.43

S.No.	Statements	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree	Mean
1	Store gives discounts	35	57	28	0	0	4.87
2	Store has fast billing system	0	7	20	52	21	2.13
3	Store offers loyalty card	15	35	33	16	1	3.47
4	I am happy with redemption of loyalty cards	0	3	45	24	28	2.23
5	Store willingly handles returns and exchanges	10	34	10	33	13	2.95
6	Store has adequate parking facility	0	8	22	57	13	2.25

An estimation of the market area in which the store is located is a crucial strategic tool in order to enable retailers to attract customers' attention and them to the store (Cheng et al., 2007; Grewal et al. 2009) since convenience stores have the most direct contact with customers (Kuo et al., 2002). Ease of access that refers to the people's ability to find the store easily and quickly (Dune & Lusch 2008:205), is one of the most discussed factors in literature for store location-selection decisions. Store image is considered one of the most important determinants of success (Amirani & Gates, 1993) in the retailing industry. In fact, a unique store image is one of the retailer's most valuable marketing assets, creating a competitive advantage that is not easily duplicated by other retailers (Rosenbloom, 1983). Store image is a critical component of store choice and loyalty (Malhotra, 1983; Nevin & Houston, 1980; Osman, 1993; Stanley & Sewell, 1976). Store image has frequently been defined as an attitude, or set of attitudes, based upon an evaluation of salient store attributes (Doyle & Fenwick, 1974; Engel & Blackwell, 1982; James et al., 1976). According to Doyle & Fenwick (1974) different socioeconomic groups perceive stores differently and store image perception may be related to age and other demographic factors in Table 3 & Table 4.

S.N o.	Statements	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree	Mean
1	Staff is wearing neat and tidy uniform	42	49	2	3	4	4.22
2	Employees are courteous and helpful	12	18	5	40	25	2.52
3	Employees show sincere interest in solving customer complaints	18	25	25	12	20	3.09
4	Employees give prompt service to customers	36	45	12	7	0	4.10
5	Employees are updated about product information	29	56	14	1	0	4.13

Several studies have found a positive relationship between store image and store loyalty (Lassk, 2000; Mazursky & Jacoby, 1986; Osman, 1993). Store personnel who are not helpful to

the shopper are considered negative stimulus (Rose et al., 2005); Jones (1999) found that salespeople could make the consumers' shopping experience enjoyable by providing good customer service and by simply being helpful to the shopper. By identifying the attributes of their store image, retailers can create positioning strategies to differentiate their store in terms of products, price, or services (Wortzel, 1987). Many consumers may think Internet retailing is lack of touching products, so they prefer offline shopping to online shopping. This will discourage a firm to adopt Internet retailing. Internet communication is more preferred as more and more people are living with Internet (Doherty et al. 1993).

RESEARCH METHODOLOGY

The objective of the study is to find the factors affecting perception of customers in organized retail. It also tries to find out the attitude of employees towards customers and preference of customers for online purchase. The data has been collected from both primary sources and secondary sources. The primary data is collected with the help of a questionnaire. For this purpose, the questionnaire was circulated among the customers to collect information. The secondary data is collected from journals, books, magazines and websites. A pilot study was conducted and final questionnaire was prepared. A five point likert scale 'strongly agree to strongly disagree' is used for this purpose. A sample of 100 respondents is taken from Delhi and NCR. The reliability was tested and Cronbach's alpha value was calculated $\alpha=0.783$ in Table 5.

S.N o.	Statements	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree	Mean
1	I prefer online purchase of electronic products	42	49	2	3	4	4.22
2	I prefer to buy from local market as compared to this store	12	18	5	40	25	2.52
3	I go to local market because I get variety	18	25	25	12	20	3.09
4	I go to local market because I get product at low cost	36	45	12	7	0	4.10

Profile of Respondents

47% respondents are male and 53% respondents are females. 3% respondents are in the age group of 18-23, 28% respondents are in the age group of 24-29, 23% respondents are in the age group of 30-35, 18% respondents are in the age group of 36-40, 14% respondents are in the age group of 41-45 and remaining 14% are above 46 years of age. 36% respondents are educated up to class 12, 35% respondents are graduate and 29% respondents are post graduate. 51% respondents are married and 49% respondents are unmarried.

RESULTS

Outlook

- 1) 58% people agree that store has a modern outlook, whereas 20% disagree with this statement with mean 3.53.
- 2) 57% people agree that store has an attractive arrangement of goods, whereas 22% disagree with this statement with mean 3.48.
- 3) 58% people agree that store layout makes it easy to move around, whereas 15% disagree with this statement with mean 3.51.
- 4) 96% people agree that store offers a great variety of products, whereas 1% disagree with this statement with mean 4.14
- 5) 99% people agree that store has sufficient stock available, whereas 1% disagree with this statement with mean 4.23.
- 6) 96% people agree that products available in store are good in quality with mean 4.19.
- 7) 48% people agree that store gives individual attention to customers, whereas 6% disagree with this statement with mean 3.43.

Factor 2 Store Efficiency

- 1) 92% people agree that store gives discounts with mean 4.87.
- 2) 7% people agree that store has fast billing system, whereas 73% disagree with the statement with mean 2.13.
- 3) 50% people agree that store offers loyalty card, whereas 17% disagree with the statement with mean 3.47.
- 4) 3% people agree that they are happy with redemption of loyalty cards, whereas 52% disagree with the statement with mean 2.23.
- 5) 44% people agree that store willingly handles returns and exchanges, whereas 46% disagree with the statement with mean 2.95.
- 6) 8% people agree that store has adequate parking facility, whereas 70% disagree with the statement with mean 2.25.

Factor 3 Employee Behavior

- 1) 91% people agree that staff is wearing neat and tidy uniform, whereas 7% disagree with the statement with mean 4.22.
- 2) 30% people agree that employees are courteous and helpful, whereas 65% disagree with the statement with mean 2.52.
- 3) 43% people agree that employees show sincere interest in solving customer complaints, whereas 32% disagree with the statement with mean 3.09.
- 4) 81% people agree that employees give prompt service to customers, whereas 7% disagree with the statement with mean 4.10.
- 5) 85% of people agree that employees are updated about product information, whereas 1% disagree with the statement with mean 4.13.

Factor 4 Customer Preferences

- 1) 91% of people agree that they prefer online purchase of electronic products, whereas 7% disagree with the statement with mean 4.22.
- 2) 30% of people agree that they prefer to buy from local market as compared to this store, whereas 65% disagree with the statement with mean 2.52.
- 3) 43% of people agree that they go to local market because they get variety, whereas 32% disagree with the statement with mean 3.09.
- 4) 81% of people agree that they go to local market because they get product at low cost, whereas 7% disagree with the statement with mean 4.10.

CONCLUSION

Customers are happy with the quality and variety of products they get at organized retail outlets. They prefer to buy from these stores as they get discounts and offers. Customers are not happy with the billing system at organized retail outlets. Every day more and more loyalty cards

are prepared for the customer stating the benefits which customer will get but redemption of these loyalty cards is very poor.

Employees need to be given training on being helpful and courteous to the customers. Both organized and unorganized retail companies will have to work together to ensure better prospects for the overall retail industry while generating new benefits for their customers. The growing middle class is an important factor contributing to the growth of organized retail in India. Consumer markets in emerging market economies like India are growing rapidly owing to robust economic growth. With India's large young population and high domestic consumption, online retail business is another format which has high potential for growth in the near future.

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