

# Consumer Preference towards Organised Retail Stores

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## Abstract

*This research article explores the rise and impact of organized retail stores in the modern market. Organized retail, characterized by standardized operations, large-scale management, and diverse product offerings, has revolutionized the shopping experience for consumers.*

*The article highlights the various formats of organized retail stores, including supermarkets, department stores, and specialty stores. These stores offer convenience, a wide range of products, and professional sales techniques, attracting customers through strategic marketing and promotions.*

*However, organized retail also faces challenges like intense competition, evolving consumer behavior, and high operational costs. To thrive, these stores must adapt by providing personalized services, incorporating new technologies, and offering unique products.*

*Furthermore, the article examines the impact of organized retail on the broader economy. It creates job opportunities, generates tax revenue, and fosters economic growth. However, concerns regarding the impact on traditional small businesses and local communities require consideration.*

*In conclusion, organized retail stores offer a multitude of benefits for consumers, businesses, and the economy. By acknowledging the challenges and fostering a balanced approach, this sector can ensure its continued success while minimizing potential drawbacks.*

**Keywords:** Organized Retail, Modern Retail Formats, Retail Industry Trends, Consumer Behavior

## Introduction

Organized retail stores refer to a modern retailing format in which retail businesses are structured and managed in a systematic and professional manner. This format is characterized by standardized and centralized management, large-scale operations, standardized procedures and policies, and professional sales and marketing techniques.

Organized retail stores come in various formats including department stores, supermarkets, hypermarkets, and specialty stores. These retail formats offer a wide range of products and services to customers and provide them with a convenient shopping experience. With the increasing competition in the retail sector, organized retail stores are adopting new technologies such as digital marketing, customer relationship management, and supply chain management to stay ahead in the game.

However, the benefits that organized retail stores offer, they also face several challenges such as increased competition, changing consumer behavior, and high operating costs. To overcome these challenges, organized retail stores need to be innovative and adapt to changing customer preferences and needs. This can include offering personalized services, incorporating new technologies, and providing unique and exclusive products. The strategy and promotional tools play a crucial role in bringing customers to the store. They provide better goods and services to customers and satisfy their requirements and desires. Organized retail stores refer to modern retail formats, such as supermarkets, hypermarkets, and department stores that are operated by companies or individuals and are typically larger in size and offer a wider range of products compared to traditional retail store.

Due to consumer preferences, globalization, and liberalization, the retail industry is constantly changing. Manufacturers are identifying, redefining, or developing new retail formats as multinational retail chains look for new markets. In addition, existing retail establishments are preparing for the upcoming organized sector competition and shifting consumer perspectives. As a result, retailers are also quickly adapting to the shifting preferences of customers.

Organized retail stores play a crucial role in the retail sector by providing customers with a convenient and organized shopping experience. With the growth of technology and the increasing competition, organized retail stores need to be dynamic and adapt to changing customer needs in order to remain successful. By doing so, they can continue to provide customers with a convenient and enjoyable shopping experience while growing their business. Organized retail stores are characterized by their standardized operations, efficient supply chain management, and use of technology to enhance the shopping experience. They often offer value-added services such as loyalty programs, home delivery, and online ordering to attract and retain customers.

Organized retail stores have revolutionized the retail industry by offering a superior shopping experience to customers and driving economies of scale for businesses. They have also created employment opportunities and contributed to the growth of the economy. However, the growth of organized retail has also had an impact on traditional mom-and-pop stores and small retailers, leading to concerns about the impact on local communities and small businesses.

The rise of organized retail has benefited the economy by bringing in tax income, opening up job possibilities, and fostering economic expansion. A Confederation of Indian Industry (CII) analysis projects that by 2020, organized retail establishments in India will generate over 12 million new jobs. Additionally, by fostering the expansion of the supply chain and logistics sectors, these outlets have expanded the options available to small and medium-sized businesses.

All things considered, the rise of organized retail has revolutionized India's retail sector and benefited consumers, companies, and the nation's economy in a number of ways. But in order to make sure that the advantages are distributed fairly among all parties, it is crucial to address the worries and difficulties brought on by this expansion.

### **Objectives of the Study**

- To understand the preferences of customers making purchases from a well-run retail establishment
- To identify the variables that affect purchasing in structured retail establishments
- To determine the degree of contentment with the services received in a well-run retail establishment

### **Statement of the Problem**

Understanding consumer preferences towards organized retail stores poses a significant challenge in today's dynamic market landscape. With the emergence of organized retail chains, consumers

are presented with a plethora of choices, ranging from convenience to product variety and overall shopping experience. This statement problem seeks to delve into the factors influencing consumer decisions when opting for organized retail stores over traditional outlets. By examining aspects such as pricing strategies, product quality, brand reputation, and customer service, this study aims to provide insights into the drivers behind consumer preferences. Understanding these preferences is vital for retailers to tailor their offerings and enhance competitiveness in the market.

### **Need of the Study**

Every retail establishment is striving to increase its customer base in order to compete in today's increasingly challenging retail market. Because of offers and low prices, the market will change every day. Because of this, we need to know what our customers want and what they expect, and we also need to check our service and process by getting feedback from our customers. This research demonstrates customer preference, demonstrating that we can use effective design to connect with customers and change many things they dislike.

### **Factors of the Study**

There are several factors that impact the study of organized retail stores, and they are as follows:

- **Consumer behavior:** Consumer behavior is a key factor that influences the study of organized retail stores. Understanding consumer preferences, attitudes, and motivations can help retailers better understand how to meet the needs of their customers.
- **Market competition:** Competition in the retail market is a major factor that impacts the study of organized retail stores. The level of competition and the strategies used by competitors can affect the success of individual retailers and the overall market.
- **Economic factors:** The overall state of the economy, such as consumer income, interest rates, and inflation, can impact the study of organized retail stores. Economic conditions can affect consumer spending patterns and impact the demand for certain products and services.
- **Technological advancements:** Technology has revolutionized the retail industry and continues to play a significant role in shaping the study of organized retail stores. Advancements in technology have led to the growth of e-commerce and the rise of online shopping, which have had a major impact on the retail industry.
- **Supply chain management:** Effective supply chain management is critical for the success of organized retail stores. Factors such as lead time, inventory levels, and logistics can impact the study of organized retail stores and affect their ability to meet consumer demand.
- **Government regulations:** Government regulations and policies, such as taxes and tariffs, can impact the study of organized retail stores. Understanding the regulatory environment can help retailers navigate the challenges posed by government policies and regulations.

The implications of these factors on the study of organized retail stores are significant. By understanding these factors and their impact on the retail industry, retailers can make informed decisions, adopt effective strategies, and improve their overall competitiveness. This, in turn, can drive growth, profitability, and long-term success in the retail industry.

### **Review of Literature**

N Ramya, Dr. SA Mohamed Ali and A Bhuvaneshwari (2017) in their study "A study of consumer buying behavior in departmental store (with special reference to Coimbatore city)", found out the preference of the customer towards departmental stores and how customer behaves at the time of product purchase. The study shows that some of the specific elements like sources of information, factors induced to visit departmental store, atmosphere, customer attributions and choices play important roles during various stages of the customer decision process.

Dr.R.Menaka and Sudeep B.Chandramana (2014) in a research on “a study on consumers’ buying behavior in retail outlet” examined the fast changing consumer buying behavior in the retail outlet. This study shows that customer’s behavior provides some valuable insights into the process and therefore is useful for retail management decision making. It is important to realize that the purchase of product involves motivational, social, psychological and economic factors. There are also important stages involved in the purchase process and the type of purchase and the users of the purchase that will affect the buying behavior.

Dr. Faran Ahmad Qadri, Dr. Adeel Maqbool, Dr. Mustafa Raza Rabbani and Prof. Mohammed Ishfaq on their research titled “An Empirical Study of Consumer Buying Behavior Towards Organized Retailing” (2005) studied the difference between organized and unorganized retail stores and the prime objectives of the study was to find the consumer attitude towards organized sector across different demographics segments. The study revealed that convenience of buy and proximity to the shop were major comparative advantages of organized outlets.

Syed Subhahani, Dr. K N Tripathy (2018) “A Study of Consumer Behavior towards Retail Sector in India” The goal of the study was to highlight changes in the organized retail sector and highlight customer behavior in order to discern changes in consumer shopping behavior. This section manages the investigation’s findings and makes suggestions for the Indian retail industry’s recovery.

Ankit Katiyar, and Nikha Katiyar, (2014) “An Empirical Study of Indian Consumer Buying Behavior of FMCG Products (With Special Reference of Bathing Soap)”, In recent decades, the sales of bathing soap have increased dramatically. In India, more and more consumers are becoming attracted to the ideas of experimenting with and trying out different bath soap. This study makes an effort to cover the numerous elements that affect customers’ decisions to buy and/or use bath soap.

Fazeen Rasheed. A.K (2017) studied the Consumer Buying Behavior of FMCG Products in Calicut City (With Special Reference of Tooth Paste). This study identifies a number of demographic, psychographic, and behavioral variables that affect consumers’ decisions to buy and/or use tooth paste. In order to achieve this goal, a survey was created and distributed throughout different areas in Calicut city.

Shafi Syed Irfan and C. Madhavaiah (2014) concluded in their study on shoppers’ buying behavior towards apparel products in Bangalore city, that there was a strong correlation between promotions and buy intention and reference group. Store characteristics, product characteristics, respondent income, and occupation have a positive, statistically significant relationship with consumer purchasing patterns.

Gopu and Girija, (2012) an article entitled “A study on consumer attitude towards departmental stores in Coimbatore city”, attempts to reveal the consumers awareness, attitude and satisfaction. Consumers from four department stores in Coimbatore city participated in the survey. According to the report, consumers valued price, door-to- door delivery, the shopping experience, and salespeople. According to the report, department stores should focus on marketing, adding amenities, managing customer complaints about defective goods, and maintaining consumer databases if they want to succeed.

Amit and Kameshvari (2012) in their article entitled “A Study on Consumer Behavior of Organized and Unorganized Retail Outlets in Vadodara City” highlighted based on respondents who purchased their goods from organized and unorganized retail locations. Through this survey, researchers sought to understand respondents’ shopping habits at both organized and unorganized retail locations. Consumer perceptions, motivation levels, and demographic characteristics were investigated as part of consumer behavior.

B.Ramesh and Dr.S.Sethuraman (2016) in their study titled ‘consumers buying behavior towards organized retail stores in India’ studied the techniques that can assist a retail organization in providing a better retail mix to draw in more customers and ensure its long-term viability. According to the

report, location and offers are the most crucial factors in choosing an establishment. Customers are drawn to buy from organized retail outlets by the large variety of product attributes, ambience, quick billing process, customer service, parking facilities, and structured display.

Ms. K. Suregka Felix and Dr. M. Hema Nalini (2022) studied the ‘a study on consumer buying behavior towards organized retail stores in Tiruchirappalli district’ observed that changes in lifestyle, such as frequent visits to retail outlets for a variety of reasons, such as offers, discounts, and ambience, are influencing consumer buying behavior. The results show that customers’ socio- demographic characteristics and frequency of visits both significantly influence their decision-making at organized retail establishments.

Arunagiri (1990) in his research work “A study on consumer attitude towards advertisement in Chidambaram town with reference to selected cosmetic product” found that, in addition to consumer awareness, advertisements clearly influenced consumer behavior and helped consumers develop a preference for the advertised brand. As a result, producers should keep all of these factors in mind while creating and marketing a variety of cosmetic products.

Dr.Smita Dron and Dr.Rashi Saxena (2022) their study titled ‘Consumer Satisfaction and Impact of Buying Behavior Factors in organized Retail Stores with Reference to FMCG Products’ discovered that factors such as product quality, pricing, and promotions, which have an effect on customer satisfaction, influence consumer behavior. Consumers increasingly favor quality over pricing since they are aware and want value for their money.

Parmar and Gupta (2007) highlighted the Age, occupation, and family income were found to have a substantial impact on the choice of cosmetics when the effect of demographic factors on customer preference for the cosmetics was explored. Further research revealed that even when a consumer’s preferred brand is unavailable, brand loyalty does not significantly affect their purchasing decisions.

Singh J.D. (1981) conducted a survey on “A study of Brand loyalty in India”. According to the study’s findings, Indian consumers are showing increasing signs of brand loyalty. Their brand loyalty is based on the “quality of the product,” “habit of usage,” and “regular availability” of the product, depending on the type of product.

## Conclusion

The results of the study indicate that several factors impact on consumer buying preferences in organized retail stores. These include product quality, price, customer service, in-store experience, promotions, product availability, and value-added services. Additionally, personalization and customization of the shopping experience, as well as the use of technology, are also important considerations for consumers.

These results suggest that well-organized retail establishments should concentrate on providing excellent in-store experiences together with high-quality products and customer service. This entails making use of technology to provide tailored shopping experiences as well as making certain that their products are easily accessible and reasonably priced. They can raise client loyalty and enhance consumer happiness by doing this.

In conclusion, the study provides valuable insights into the factors that influence consumer buying preferences in organized retail stores. Retailers can use these findings to framing the business strategies and enhance the shopping experience for their customers, ultimately leading to increased market share and competitiveness.

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