CONSUMER PREFERENCES AND OPINIONS IN INDIA'S CHANGING RETAIL SECTOR: A COMPARATIVE STUDY

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Abstract

Department stores, hypermarkets, supermarkets and specialty stores are some of the newer structured formats that are posing a threat to the traditional unorganised sector of India's retail business. Because of this, the retail sector in India has seen significant changes. The study's goal is to look at how Big Bazaar, Reliance Fresh, and Marks & Spencer stack up in the eyes of their respective customers. The poll also compares the performance of these stores to others in the area and gauges the satisfaction of its customers. With this goal in mind, a sizable study of Indian consumers from a range of economic strata was conducted. The study examined factors such as pricing, product availability, quality, convenience, and customer happiness. Statistical analysis was employed to learn what aspects of stores people liked and didn't like, as well as what factors influenced their buying decisions. Important new insights into the dynamics of the Indian retail market have been revealed by the findings. With a growing middle class, diversifying customer tastes, and favourable demographic trends, experts anticipate that India's modern retail industry could be worth between $275 and $400 billion by 2020. Taking the time to listen to and act on customer feedback can help retailers better adapt to their customers' changing wants and needs. Retail chains, independent stores, and other players in the Indian retail industry can all benefit from the insights provided by this study. The comparison of Big Bazaar, Reliance Fresh, and Marks & Spencer reveals their advantages and limitations, as well as how well they perform in terms of customer satisfaction. The findings of this study help retail businesses in India better understand consumer behaviour and make evidence-based decisions.

Paper Identification

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Introduction

Department stores, hypermarkets, supermarkets, and specialty stores are only some examples of the more structured models that have emerged in recent years to dominate India's retail landscape. As a result of changing tastes and buying habits, these contemporary stores are gradually replacing conventional markets. The retail sector in India is vital to the country's economy, helping to spur expansion and entice foreign investment thanks to its sizeable contribution to GDP. While this is happening, it is crucial to learn how

customers feel about various stores in the retail industry. With this information, stores can better meet the changing demands of their clientele and maintain their competitive edge. The virtues and limitations of various retail formats can be gleaned through comparing the amount of satisfaction supplied by these outlets to that of local retail establishments. The Big Bazaar, Reliance Fresh, and Marks & Spencer retail chains are the subjects of this investigation. These stores are representative of several retail subsets; each one offers a unique selection of goods and services to a certain clientele. The study's goal is to offer insight on the factors influencing consumer choices and satisfaction by measuring consumer opinions and preferences towards different channels. Due to rising disposable income, shifting consumer preferences, and a growing population, the retail sector in India is poised for rapid expansion. The value of India's contemporary retail industry is expected to grow to between US$275 billion and US$400 billion by 2020. Department stores, hypermarkets, supermarkets and specialty stores are some of the newer structured formats that are posing a threat to the traditional unorganised sector of India's retail business. Because of this, the retail sector in India has seen significant changes. The study's goal is to look at how Big Bazaar, Reliance Fresh, and Marks & Spencer stack up in the eyes of their respective customers. The poll also compares the performance of these stores to others in the area and gauges the satisfaction of its customers. With this goal in mind, a sizable study of Indian consumers from a range of economic strata was conducted. The study examined factors such as pricing, product availability, quality, convenience, and customer happiness. Statistical analysis was employed to learn what aspects of stores people liked and didn't like, as well as what factors influenced their buying decisions. Important new insights into the dynamics of the Indian retail market have been revealed by the findings. With a growing middle class, diversifying customer tastes, and

favourable demographic trends, experts anticipate that India's modern retail industry could be worth between $275 and $400 billion by 2020. Taking the time to listen to and act on customer feedback can help retailers better adapt to their customers' changing wants and needs. Retail chains, independent stores, and other players in the Indian retail industry can all benefit from the insights provided by this study. The comparison of Big Bazaar, Reliance Fresh, and Marks & Spencer reveals their advantages and limitations, as well as how well they perform in terms of customer satisfaction. The findings of this study help retail businesses in India better understand consumer behaviour and make evidence-based decisions.

Retailing in India

In recent years, the retail industry in India has experienced substantial development and transition. This may be attributed to a number of causes, including rising incomes, increasing urbanisation, shifting consumer lifestyles, and favourable government regulations. The following are some important figures and amounts that illustrate the current situation of retailing in India:

- **Contribution to GDP:** The retail sector in India is important to the economy. By 2021, it had contributed more over 10% to India's GDP, making it one of the country's most important industries.

- **Size of the Retail Market:** The Indian retail industry is massive and varied. It was predicted to be valued about $854 billion in 2021 dollars. Retail chains, mom-and-pop shops, and online marketplaces are all included in this broad category.

- **Organized vs. Unorganized Retail:** Unorganised retailing, such as mom-and-pop stores and street markets, plays a major role in India's retail business. But organised shopping is expanding at a rapid clip. About 12-15% of

India's retail market in 2021 came from stores that had been "organised."

- **E-commerce Growth:** Online shopping has becoming increasingly popular in India. Growth in e-commerce has been fueled by rising smartphone and internet usage and the convenience of online stores. In 2020, online shopping in India generated over $58 billion in revenue, and analysts anticipate more growth in the industry.

- **Consumer Spending:** Increased consumer expenditure in India can be attributed to the country's rising incomes and expanding middle class. The rising level of consumer spending on retail goods and services has been a major factor in the retail industry's expansion. As of the year 2021, Americans spent roughly $2,300 annually on consumer goods.

- **Modern Retail Formats:** Department stores, hypermarkets, supermarkets, and specialised shops are some of the most prominent types of modern retail formats in India. Big Bazaar, Reliance Fresh, and Marks & Spencer are just a few of the big supermarket chains that have solidified their footholds in cities around the country.

- **Foreign Direct Investment (FDI):** The Indian government has enacted laws to entice international retailers to set up shop in the country. Recent years have seen a rise in foreign direct investment (FDI) into the retail sector, which has helped fuel the development of organised retail formats and increased levels of competition and innovation.

- **Employment Generation:** The retail sector in India is a major employer, employing millions of individuals at all levels of education and expertise. In 2021, the retail industry is projected to employ over 46 million people, making it one of the largest in the country.

- **Regional Variations:** Consumer tastes, spending capacity, and industry trends all differ across India's vast retail landscape. The expansion of organised retail has been more rapid in urban areas, especially tier 1 and tier 2 cities, than in rural ones. However, retailers are increasingly focusing on rural areas since they have a lot of untapped potential.

The India Retail Format

Retail formats coexist in the Indian market, serving different segments of the population and offering varying shopping experiences. Retailers often employ a multi-format strategy, operating multiple formats or combining online and offline channels to reach a broader customer base and enhance customer convenience. Here are some retail Formats listed below:

Department Stores: offer a wide range of products across different categories under one roof. They typically have multiple sections, including clothing, home furnishings, electronics, and more. Examples of department stores in India include Shoppers Stop, Lifestyle, and Central.

Supermarkets: are a type of retail store that allows customers to shop at their own pace and mostly sells groceries, fresh vegetables, packaged food, and basics for the home. They are well-known for their well-organized store design as well as their extensive product variety. Big Bazaar, More, and Spencer's are just some of the well-known names in the Indian grocery industry.

Hypermarkets: are big stores that mix aspects of grocery stores, department stores, and other types of retail establishments. They provide a wide selection of goods, which may be purchased by customers and include food, items for the home, clothing, and even electronic devices. The majority

of the time, hypermarkets have extra facilities on the premises, such as food courts and entertainment zones. There are several instances of hypermarkets in India, including Reliance Fresh, HyperCITY, and Star Bazaar.

Convenience Stores: are small retail outlets that cater to consumers' immediate and everyday needs. They typically operate extended hours and provide a range of products such as snacks, beverages, personal care items, and basic groceries. Popular convenience store chains in India include 7-Eleven, Easyday, and Twenty Four Seven.

Specialty Stores: focus in on particular product categories or specialised market segments. They give expert expertise and customised services, in addition to offering a specialised selection of products to choose from. Croma (which sells electronics), Decathlon (which sells sports products), and Fabindia (which sells ethnic clothes and home furnishings) are some examples of speciality stores that can be found in India.

E-commerce: With the rapid growth of internet penetration and smartphone usage, e-commerce has gained significant traction in India. Online retail platforms, such as Flipkart, Amazon, and Myntra, offer a wide range of products across various categories, providing convenience and doorstep delivery to customers.

Franchise Stores: Retail stores operate under established brand names through franchise agreements. They offer standardized products and services as per the franchisor's guidelines. Well-known franchise stores in India include McDonald's, Subway, and Domino's Pizza.

Kirana Stores: Kirana stores are traditional neighborhood convenience stores that cater to daily grocery needs. They are typically small, family-owned establishments that offer a range of essential items, including groceries, snacks, and personal care products. Kirana stores are widely prevalent in both urban and rural areas of India.

Study Objectives

- Determine the level of brand recognition among the outlets included in the study.
- Examine customer satisfaction with the products and services provided and identify the factors that influence consumers' preference for these outlets.
- Offer appropriate recommendations to enhance the delivery of products and services by the outlets.

Research Methodology

Research Design

Researchers have chosen the descriptive research method to acquire knowledge and enhance their understanding of consumer behavior and preferences regarding retail outlets. This research design is also utilized to examine the influence of large-scale retail stores on consumers' perceptions.

Sample Collection

The researchers employed a Non-Probability Convenience Sampling Technique to select participants from the population under study. The sample size for the study comprised 100 respondents, obtained by converting the footfall of consumers at each of the selected outlets into representative samples. These samples were then consolidated to form a final sample size of 100 for the research.

Data Collection

Both primary and secondary sources were utilised by the researchers in order to compile the necessary information for the study. In order to gather primary data, a systematic questionnaire was established, and direct interviews with customers were carried out in order to gain the required information. On the other hand, secondary data were collected from a variety of sources including books, journals, magazines, websites, and other appropriate publications.

Data Analysis Tools

As part of the study, the researchers conducted statistical tests in order to investigate the connections between the various factors. In order to evaluate how well two variables fit together in a situation in which one of the variables depended on the other, a non-parametric test that is used frequently called the Chi-Square test was carried out. In addition, a two-way ANOVA was carried out in order to investigate the effects of two different factors, concurrently, on the response variable that was of interest. In addition, in order to determine the extent of the correlation that existed between the two variables that were the focus of the study, the researchers computed a value known as the correlation coefficient.

Analysis and Interpretation

Table 1 Influencing Factors of Retail Shopping Behaviour

Outlets	Respondents	% age
Quality	25	25%
Affordability	22	22%
All under one roof	24	24%
Service	11	11%
Variety	18	18%
Total	100	100%

Source: Authors Calculations

According to Table 1, there were 25 replies (or 25% of the total) in the Quality category. This data reveals that one-fourth of respondents place a high value on the quality of goods and services provided by retailers.

Twenty-two people (or 22%) out of the total number of responses stressed the significance of cost. When deciding where to shop, these people place a premium on finding a store that offers competitive prices or excellent value.

Twenty-five people, or 25%, also mentioned how nice it was to have everything they needed in one place. This means that one in four respondents would rather shop at a store that sells a variety of items rather of going to several different stores.

Twelve people (or 12% of the total) said they place a high emphasis on outlets providing good service. This indicates that fewer people value things like customer support, friendly employees, or individualised service.

Finally, 16 percent of respondents said they like to shop at stores that have a wide variety of goods and services.

Table 2 Products Shoppers Prefer to Buy in Stores

Outlets	Respondents	% age
Apparels	23	23%
Food & Groceries	33	33%
Fruits & Vegetables	19	19%
Others	25	25%
Total	100	100%

Source: Authors Calculations

In Table 2 above, you can see which stores customers like to shop at depending on what they typically buy. It was discovered that 23% of respondents favour shopping for clothing, 33% prefer buying food and groceries, 19% favour buying fresh fruits and vegetables, and 25% favour buying other things.

Table 3 Distribution of Genders

Gender	Respondents	% age
Male	35	35%
Female	65	65%
Total	100	100%

Source: Authors Calculations

Table 3 shows that 65 percent of responses were female consumers and 35 percent were male customers based on the demographics of the sample population.

It was discovered, based on the demographic breakdown that is shown in table 4, that about 43% of respondents were between the ages of 18 and 28, and

that 30% of respondents were younger than 2838.To put it another way, millennials make up the vast majority of customers who buy at stores that are part of organised retail chain outlets.

Table 4 Consumers' Outlet Preferences and the Items They Buy

Products / Outlets	Apparels	Food & groceries	Fruits & Vegetables	Others	Total
Big Bazzar	10	06	04	08	28
Reliance Fresh	03	04	05	03	15
Marks Spencers	04	12	05	04	25
Others	06	11	05	10	32
Total	**23**	**33**	**19**	**25**	**100**

Source: Authors Calculations

The participants' replies regarding their levels of contentment with a variety of Outlets were evaluated and interpreted by the researchers. 57% of respondents were satisfied with Big Bazaar's performance and services, but just 42% of respondents were satisfied with Marks & Spencers and 35% of respondents were satisfied with Reliance Fresh. Because the computed value (8.813) was less than the tabulated value (16.919), Chi-square analysis showed that there was no statistically significant link between consumers' outlet preference and the products they bought at the 5% significance level. This was the case because the computed value was lower than the tabulated value. (Table-4)

Table 5 Consumers' Preferences for Retail Establishments and Promotional Channels Analysed Using Chi-Square

Media / Outlets	TV	Radio	Newspaper	Others	Total
Big Bazzar	15	03	04	06	28
Reliance Fresh	05	04	03	03	15
Marks Spencers	07	03	11	04	25
Others	13	10	06	03	32
Total	40	20	24	16	100

Source: Authors Calculations

From the above Table 5 Since the estimated value (13.953) is less than the tabulated value(16.919)- (Table- 5), the significant relation between the outlet choice of consumers and the products purchased was also examined and confirmed null. There is substantial positive association between the factors shown in Table 6. Quality is a deciding element in whether or not buyers select the 'Apparel' product category. A high positive association was found when the Quality

Table 7 Two – Way Anova Table

Source of variation	Sum of Squares	D.F.	Mean Squares	F - Ratio	5% F-limit (From the above Table
Between columns (Influencing factors)	56.5	4	14.125	6.165	3.25
Between rows(outlets)	18	3	6	2.618	3.49
Residual	27.5	12	2.291		
Total	102	19			

Source: Authors Calculations

Factor was considered alongside all other contributing elements in the Apparel Product Segment, as shown in the correlation coefficient analysis presented in Table-6.

Table- 6 Correlation Coefficient between Quality Factor and the Product Category Preferred (Apparels)

X (QUALITY)	x	2x	Y (APPARELS)	y	2 y	xy
11	2.5	6.25	10	4.25	18.06	10.625
7	-1.5	2.25	3	-2.75	7.56	4.125
11	2.5	6.25	4	-1.75	3.06	-4.375
5	-3.5	12.25	6	0.25	0.625	-0.875
X = 34	x = 0	x^2 = 27	Y = 23	y = 0	y^2 = 28.7	xy = 9.5

Table 7 shows that a two-way ANOVA was utilised to determine whether or not customers' shopping habits differed significantly across the many influencing factors and retail locations studied (p.05). The investigation revealed that consumers' purchasing preferences varied widely over a spectrum of influencing criteria such as Quality, Service, Variety, etc., but that there was no discernible variation in preferences among outlets (Table 7).

• The calculated degree of freedom (4.12), at a 5% level of significance, was more than the table value (3.25). That is to say, customers' preferences for making purchases varied greatly according to the various elements that went into play.

• The table value (3.49), rather than the computed value (2.618), was higher for degree of freedom (3.12), at the 5% level of significance. To sum up, shoppers have distinct tastes when it comes to where they do their shopping.

Findings

1. According to the research, fewer males shop than women do.
2. Big Bazaar received the most votes as the best retail establishment because it catered to shoppers from a wide range of socioeconomic backgrounds and offered a diverse selection

of products. After that we have Marks & Spencers and Reliance Fresh, two Organised Retail Stores whose high prices have turned off many potential customers.

Conclusion

The study compares and contrasts the merits of three distribution channels. Researchers looked at how shoppers view the direction of retail markets today. Customers are drawn to Organised Retail Outlets because of their unique atmosphere, assortment style, and computerised weighing and invoicing method, but they are less likely to shop there because of the poor service they receive there. Retailers require timely market data for strategic planning and decision making to stay competitive in this industry. The second most critical factor is effective cost management, which is essential for achieving even modest levels of profitability. Customers are more likely to remain loyal over time if the price is stable and the company consistently delivers the services they expect.

Suggestions

Retailers can increase their clientele by catering to male shoppers by stocking products and creating an atmosphere that are appealing to males.

1. It's reasonable to assume that once-a-month shoppers stock up on food and other necessities. Customers who only shop once a month are notoriously difficult to please at stores. Those in this category typically make purchases in large quantities. Therefore, in order to attract this demographic, stores should offer services like home delivery and discounts for large purchases.
2. Consumers can shop for necessities according to their individual budgets if the goods are categorised by price.
3. If they want to attract local customers, well-known national retail chains should cater to

them by offering layaway plans for expensive items.

4. Based on the results, it is clear that advertising on local television and radio can help spread the word about promotional activities and the availability of deals and discounts. This has the potential to shift customers' impressions of businesses like Spencer's and Reliance Fresh, which lack such strategies.

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