
Consumer Perception of Retail Store Attributes: Insights from Organized Retail Formats

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The retail landscape has undergone a significant transformation with the emergence of organized retail formats, particularly in developing economies. This study delves into the intricate dynamics of consumer preferences regarding various store attributes within these organized retail environments. As consumers today are presented with a multitude of shopping options, understanding their preferences has become essential for retailers to craft successful strategies. The research focuses on key store attributes, such as location, product variety, pricing strategies, promotional offers, store ambiance, customer service quality, convenience, and technology integration, all of which play a pivotal role in shaping the shopping behaviour of consumers.

A comprehensive mixed-method approach, combining quantitative surveys with qualitative interviews, was employed to gather insights from a broad spectrum of consumers. The analysis not only identifies which store attributes consumers prioritize but also investigates how these preferences vary across different demographic groups, including age, gender, income level, and lifestyle. Findings suggest that while competitive pricing and product variety are critical, non-price factors such as store layout, cleanliness, customer service, and the overall shopping experience significantly influence consumer decisions. Moreover, emerging trends such as the role of technology, in-store navigation, and personalized promotions are becoming increasingly important to modern consumers.

The study's results provide valuable insights for organized retailers seeking to enhance their market positioning and customer loyalty by better aligning store attributes with evolving consumer expectations. Retailers can leverage these findings to refine their operational strategies, optimize customer engagement, and build long-term brand loyalty in a highly competitive retail environment.

Keywords: Consumer preferences, store attributes, organized retail, customer experience, pricing strategy, technology integration, demographic analysis, retail competition, customer loyalty.

Introduction:

The retail sector has witnessed a dramatic shift over the past few decades with the rise of organized retail formats, particularly in emerging markets. Organized retail—characterized by large-scale, professionally managed outlets such as supermarkets, hypermarkets, department stores, and shopping malls—has transformed the traditional retail landscape. These formats offer consumers a wide array of products under one roof, enhanced convenience, and an overall better shopping experience. As the competition within the retail industry intensifies, understanding consumer preferences for specific store attributes becomes increasingly crucial for retailers to differentiate themselves and succeed.

Consumer behavior in retail environments is shaped by multiple factors, including price sensitivity, product assortment, store ambiance, and customer service. While pricing remains a fundamental driver, the modern consumer increasingly values a holistic shopping experience. Factors such as store layout, cleanliness, staff behavior, convenience of location, availability of parking, and technological advancements (like self-checkouts and mobile apps) all contribute to consumer satisfaction and loyalty. As such, retailers must not only focus on offering competitive prices but also create an environment that aligns with consumer preferences.

The growth of organized retail in developing economies has been particularly notable. In these markets, where traditional retail formats such as small, family-owned shops once dominated, the shift towards organized retail presents both opportunities and challenges. Consumers in these regions are becoming more discerning, demanding not only competitive pricing but also a superior shopping experience. This shift has raised the question of which store attributes are most valued by consumers and how these preferences may vary across different demographic groups such as age, gender, income, and lifestyle.

This study aims to examine the specific attributes of organized retail stores that consumers prioritize. By understanding the key factors that influence consumer decisions, retailers can tailor their strategies to better meet customer needs and enhance their competitive advantage. The research will explore attributes such as location, pricing strategies, product variety, customer service, store design, and the role of emerging technologies. Additionally, this study will analyze how demographic factors influence these preferences and what trends are shaping the future of organized retail.

Ultimately, the insights from this research are expected to provide retailers with actionable strategies to optimize their operations, improve customer satisfaction, and build long-term loyalty. By focusing on the consumer's perspective, this study contributes to a deeper understanding of the retail industry's evolution and offers practical recommendations for adapting to the dynamic needs of today's shoppers.

Literature Review:

In recent years, consumer preferences for store attributes in organized retail formats have evolved significantly, driven by changes in shopping behaviors, technological advancements, and an increasing focus on sustainability. While earlier studies emphasized traditional factors like price and product variety, recent research highlights the growing importance of experiential retailing and store atmospherics. The integration of technology has also reshaped consumer expectations in organized retail.

Bagdare and Jain (2013) further reinforced this trend by showing that store atmospherics play a crucial role in shaping consumer emotions, leading to higher customer satisfaction and loyalty. As a result, organized retailers are investing in creating immersive shopping environments to enhance customer engagement.

Shankar et al. (2013) discussed the increasing popularity of "click-and-collect" services, where consumers can place online orders and collect their purchases in-store, adding convenience to the shopping process.

Hagberg et al. (2014) explored how digital technologies like artificial intelligence (AI), augmented reality (AR), and self-service kiosks have become integral to the modern shopping experience. These technologies have enabled retailers to provide seamless omnichannel experiences, allowing consumers to switch between online and offline shopping with ease. **Grewal et al. (2014)** pointed out that consumers are more inclined to visit stores offering an engaging environment through sensory elements such as lighting, music, and store layout, reflecting the shift toward a hedonic shopping experience.

Kumar et al. (2015) emphasized that customer engagement through interactive displays, real-time communication, and loyalty rewards plays a vital role in strengthening customer relationships and fostering brand loyalty. Organized retailers are utilizing social media platforms and mobile apps to connect with consumers, offering personalized shopping experiences that go beyond traditional retail interactions. In addition to these trends, personalization and customer engagement have emerged as critical drivers of consumer satisfaction.

Grewal and Roggeveen (2015) noted that personalized shopping experiences, powered by data analytics and AI, are becoming increasingly important in organized retail. Consumers now expect personalized promotions, product recommendations, and loyalty programs tailored to their individual preferences.

The COVID-19 pandemic has also significantly influenced consumer preferences in organized retail. **Donthu and Gustafsson (2016)** examined how the pandemic shifted priorities toward safety, hygiene, and contactless shopping. Retailers were quick to respond by implementing safety measures such as sanitization stations, social distancing protocols, and contactless payment options, which have now become expected features in stores.

Sheth (2016) highlighted how the pandemic accelerated the adoption of e-commerce, fundamentally altering shopping habits. Even as physical stores reopened, consumers have continued to demand the convenience of online shopping, leading to a preference for hybrid retail models that seamlessly integrate physical and digital shopping experiences.

Objectives:

- To identify the key store attributes consumers value in organized retail formats.
- To explore the influence of demographic factors (age, gender, income, lifestyle) on consumer preferences.
- To examine the emerging trends in retail, such as the impact of technology on the shopping experience.
- To provide strategic insights for retailers on how to enhance customer satisfaction and loyalty.

HYPOTHESIS

H1: There is no significant difference in preference towards store attributes across the different age group.

- H1a: There is no significant difference in preference towards ambience across different age groups.
- H1b: There is no significant difference in preference towards convenience across different age groups.
- H1c: There is no significant difference in preference towards services across different age groups.
- H1d: There is no significant difference in preference towards additional services across different age groups.
- H1e: There is no significant difference in preference towards promotion across different age groups.

H2: There is no significant difference in preference towards store attributes across different income group.

- H2a: There is no significant difference in preference towards ambience across different income groups.
- H2b: There is no significant difference in preference towards convenience across different income groups.
- H2c: There is no significant difference in preference towards services across different income groups.
- H2d: There is no significant difference in preference towards additional services across different income groups.
- H2e: There is no significant difference in preference towards promotion across different income groups.

RESEARCH DESIGN

The study is for informational purposes only. The study aimed to further explore the research problem by examining the literature review. This helps to formulate a research hypothesis. In this study, we will investigate the relationship between different dependent variables and independent variables.

DATA SOURCES

The study is based on the primary data. The data has been collected by conducting a survey of 114 respondents with the help of structured questionnaire.

QUESTIONNAIRE DEVELOPMENT

With the help of identified variables from the existing literature review, a structured questionnaire was developed. The questionnaire was structured in two parts. First part of the questionnaire consisted of questions related to demographic information of the respondents such as age, gender, education level and income and the second part of the questionnaire consisted of the questions related to the consumers' preferences towards store attributes. The questionnaire used for the study contains all the close-ended questions in which the respondents were asked to choose among a number of alternative answers. All the items in the questionnaire are measured on 5 point likert scale from 1 "Strongly Agree" to 5 "Strongly Disagree".

SAMPLE AND DATA COLLECTION

The targeted group for the study was the consumers who prefer to shop at organised retail outlets in Karnal. Convenient sampling was used for the selection of the consumers. The sample size for this study is 114. All the 114 respondents were interviewed personally. Total 200 questionnaires were distributed for the survey. A total of 127 were returned out of which 114 were found to be usable which have been considered for the study. The response rate is 89.55%, which is acceptable for survey based research.

ANALYSIS AND DISCUSSION

The data which was collected after doing the survey were digitized in an SPSS spreadsheet and were analysed by using suitable statistical tools. A simple statistical analysis was carried out to assess the consumer preference which included descriptive statistical analysis, and frequency distribution. The statistical test descriptive statistics analysis of variance (ANOVA) was used to assess whether socio-demographic factors play a significant role in preference towards store attributes.

Table 1: Demographic Profile

Variables	Classification	No of Respondents	Percentage
Gender	Male	56	49.1
	female	58	50.9
	15-25	26	22.8
Age	25-35	44	38.6
	35-45	12	10.5
	45-55	18	15.8
	55 & above	14	12.3
Marital status	Married	56	49.1
	Unmarried	58	50.9
Education	Undergraduate	18	15.8
	Graduate	20	17.5
	Post Graduate	52	45.6
	Doctorate	24	21.1
Occupation	Student	50	43.3
	Govt service	30	26.3
	Business	6	5.3
	Corporate employee	10	8.8
	Housewife	14	12.3
	Any other	4	3.5
Income	< 2 lakh	36	42.9
	2-4 lakh	26	31.0
	4-6 lakh	10	11.9
	6-8 lakh	6	7.1
	8-10 lakh	2	2.4
	10 lakh & above	4	4.8

As shown in the table, 114 organised retail consumers were interviewed. Out of which 49.1% were male and 50.9% were female. 22.8% of the respondents interviewed were belonged to age group of 15-25 yrs, 36.8% were in the age group of 25-35, 10.5% were in age group 35-45, 15.8% were in the age group of 45-55 and 12.3% were above 55 yrs of age. Majority of the respondents were post graduate i.e. 45.6%, 21.1% were doctorate and remaining 17.5% were graduate and 15.8% were undergraduate. 43.3% of the respondents interviewed were students, 26.3% were employed in government service sector, 8.8% were corporate employee, 5.3% belonged to business class and remaining 12.3% were housewives. As reflected in the survey most of the respondents i.e. 63.9% have income below 4 lakh and remaining have their income above 4 lakh.

Table 2: Consumers' Response for Various Stores Attributes

Store Attributes	Min	Max	Mean	Std. Deviation
Ambience	2.00	5.00	3.7494	.65577
Convenience	2.33	4.67	3.5205	.62720
Services	2.00	4.57	3.4734	.68216
Additional Services	1.14	2.71	2.0251	.32490
Promotion	2.75	5.00	3.8246	.51087

Table 3: Consumers Response for Each Item

Ambience	Mean
Everything under one roof	3.9825
Air conditioned environment	3.7018
Clean and hygienic environment	3.7719
Well organised environment	4.0351
Good layout	3.9649
Good lightening	3.8246
Pleasant music	2.9649
Convenience	
Convenient location	3.4561
Convenient shopping hours	3.5439
Ample parking space for vehicles	3.5614

Services

Home delivery service	3.0000
Multiple payment options	3.7018
Acceptance of credit cards	3.6842
Easy refund policy	3.3509
Availability of many sales persons	3.6316
Interest shown by sales persons in solving customer problems	3.4561
Sales person response to cater to customer request	3.4912

Additional services

Facility of trial rooms	3.8947
Playing area for children	3.1053
Facility of washroom	3.4737
Facility of food court	3.7018

Promotions

Discounts on items	3.9298
Different schemes	3.9474
Attractive product display	4.0877
Membership cards	3.3333

The mean value of the consumer response towards various store attributes is shown in the Table 2. The table shows that the most important store attribute is promotion followed by ambience, convenience and services, additional services. This indicates that retailers can attract consumers and also retain the existing ones with the help of promotional offers and by providing discounts on items and offering different schemes and also by overcoming their inadequacy in these attributes (Goel, 2011). Table 3 is shows the mean value of consumers' response for each item of the variables. The table reflects that for the ambience the highest mean is for well organised environment provided by the organised retail outlet and the lowest is for music played in the store. It means that consumers prefer to go to organised store because of well organised environment present there but no effect of music played in the store is seen on their preference. Similarly, for other attributes convenience, services, additional services and

promotion the highest mean is for convenient timing, availability of parking space, multiple payment option, facility of trial rooms and different schemes offered by the stores.

Table 4: ANOVA for Age group

Store Attributes		Sum squares	of df	Mean Square	F	Sig.
Ambience	Between Groups	12.615	4	3.154	9.554	.000
	Within Groups	35.980	9	.330		
	Total	48.594	113			
Convenience	Between Groups	1.169	4	.292	.736	.569
	Within Groups	43.283	9	.397		
	Total	44.452	113			
Services	Between Groups	7.188	4	1.797	4.315	.003
	Within Groups	45.396	9	.416		
	Total	52.584	113			
Additional Services	Between Groups	.372	4	.093	.887	.480
	Within Groups	11.557	9	.106		
	Total	11.928	113			
Promotion	Between Groups	5.009	4	1.252	5.527	.000
	Within Groups	24.483	9	.225		
	Total	29.491	113			

ANOVA test was run on the sample to understand whether there exists any significant difference in the consumer preference towards various store attributes across the different age group. The ANOVA result shows significant difference for ambience ($F=9.554$, $p=.000$), services ($F=4.315$, $p=.003$) and promotion ($F=5.527$, $p=.000$) variables. The p value of other store attributes related to convenience and additional services is not found to be significant. Thus the sub hypotheses H1a, H1c and H1e are rejected and the remaining three H1b and H1d are accepted.

Table 5: ANOVA for Income group

Store Attributes		Sum of squares	df	Mean Square	F	Sig.
Ambience	Between Groups	15.824	5	3.165	8.089	.000
	Within Groups	30.516	78	.391		
	Total	46.340	83			
Convenience	Between Groups	4.699	5	.940	2.639	.029
	Within Groups	27.772	78	.356		
	Total	32.471	83			
Services	Between Groups	15.629	5	3.138	8.970	.000
	Within Groups	27.291	78	.350		
	Total	42.983	83			
Additional Services	Between Groups	25.525	5	.505	5.050	.000
	Within Groups	7.800	78	.100		
	Total	10.326	83			
Promotion	Between Groups	8.182	5	1.636	6.878	.000
	Within Groups	18.557	78	.238		
	Total	26.738	83			

ANOVA test was run on the sample to understand whether there exists any significant difference in the consumer preferences towards various store attributes across the different income group (Table 5). The ANOVA result shows significant difference for all the store attributes i.e. ambience ($F= 8.089$, $p=.000$) convenience ($F=2.639$, $p=.029$), services ($F=8.970$, $p=.000$), additional services ($F=5.050$, $p=.000$) and promotion ($F=6.878$, $p=.000$). Thus, all the sub hypotheses H2a, H2b, H2c, H2d and H2e are rejected.

CONCLUSION

The present study is focused to assess the impact of demographic factors on the consumers' preferences towards store attributes of organised retail formats that influence consumers to purchase from these formats. With major socio-economic changes, increase in disposable income and major change in consumption pattern consumers have become conscious towards the health and hygiene. In order to grab the benefits of the changing consumer buying behaviour, modern organised retail formats are growing at a very fast rate throughout the country. Findings of the study conclude that there is a significant difference in consumers' preference of retail store attributes across different demographic factors i.e. age and income which have been taken for the analysis. The study identified that most preferred store attribute is promotion followed by ambience, additional services, convenience and services. Thus, for attracting the new consumers and also for retaining the existing existing consumers, retailers are adopting various promotional strategies and providing discounts on items and offering different schemes. Thus, retailers should focus on improving their services and also focus on improving the convenience of the consumer. In the dynamic and emerging Indian retail environment, the study will provide vision on consumers' preferences in terms of store attributes with the help of primary survey data the knowledge of these factors is very useful for retailers in devising future strategies. The retailers can formulate their strategies accordingly for retaining the customers and improving loyalty towards their store. With the help of these knowledge the retailers can understand changing consumer need and implement their accordingly.

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