

CONCEPTUAL MODEL FIT FOR CONSUMERS' RETAIL FORMAT CHOICE IN FOOD & GROCERY RETAILING

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Abstract: Retailing in Republic of India is gaining attention like never before. Organized retailing is creating euphoria amongst Indian consumers drawing them into malls and trade areas in huge numbers. Retailers are giving newer service dimensions to make distinctive searching expertise for patrons. Shopping for food and grocery merchandise has witnessed a revolution in Indian retail market with the conspicuous changes within the client shopping for behaviour driven by robust financial gain growth, changing life styles and favorable demographic patterns. Most of the food and grocery merchandise reach the shoppers through Neighborhood kirana stores that are unorganized. Dynamic trends in consumption patterns, food and eating habits of consumers have contributed immensely to the growth and development of 'Western' format typologies such as super markets, convenience stores, discount stores and hyper markets. This article aimed to explore and examine the foregone conclusion of major constructs (i.e., shopper attributes, store attributes, information sources and situational factors) on retail format choice behaviour in food and grocery merchandising from the planned model supported the identification of analysis gaps. The hypothesized relationships among the major constructs were examined. The study has unconcealed numerous path breaking findings that auger well for the voluminous growth and even development of retail formats in food& grocery merchandising in Republic of India. The study has intricately mentioned and regarded numerous educational and social control implications for food and grocery retail trade.

Keywords: shopper attributes, store attributes, situational factors, format choice behavior.

1. INTRODUCTION

The Indian economy has witnessed extraordinary growth throughout the last decade. The country posted positive growth even during the recent economic slowdown and is among one of the fastest growing economies with an impressive average growth of over 7.4 percent gross domestic product (GDP) for the last five years. The real Gross Domestic Product (GDP) stood at 6.9 percent in 2009 & 2010. The value growth projection for 2010-2011 is 7.1 percent. The key drivers of India's growth include a booming domestic market by increasing consumption and a surge in investment, supported by certain inherent fundamental strengths such as favourable demographics. Over the last two decades, the market sectors have undergone some significant qualitative structural changes due to liberalization of trade in 1991 and recent industrial policies in 2006 resulting in a competitive retail environment. Furthermore, shifting demographics, increasing disposable money, changing lifestyles, and rising consumer expectations resulted in today's consumers becoming more knowledgeable, more sophisticated, and more demanding (Prikkh, 2006). The characteristics of new consumers include wanting more for less; education about purchases; convenience; value for time; and personal attention and empathy. The new expansions, which are adoptions of western formats, have brought about paradigm shift in the concept of shopping and shopper buying behaviour from low price to convenience, value and superior shopping experiences (Prasad and Aryasri, 2011). Consequently, the new wave of consumerism has enabled the country to be one of the largest consumer markets in the world. Over the next two decades, India is going to become fifth largest consumer market from its present

twelfth position and overtakes Germany to be behind the US, Japan, China and the UK. That real consumption would grow from current Rs 17 trillion to Rs 70 trillion by 2025. The conspicuous structural shifts in consumption pattern, changing lifestyles, eating and food habits have also immensely contributed to the growth and development of Indian retailing. The fastest growing retail sector in Indian economy associate to be dynamic and sales are expected to follow an upward trajectory with 8% constant value CAGR (compound average growth rate). Presently (2010), the Indian retailing is estimated at USD 410 billion which grew from USD 120 billion in 1990 (A.T Kearney Global retail development Index report 2010). It reveals that the growth in the retail sector has grown by around 4 times. Similarly the organized retail is estimated at USD 20 billion in 2010 which has grown about 35 times from USD 0.6 billion in 1990. The new retail formats changed the total concept of shopping and shopper's buying behaviour, ushering a revolution in shopping in India there is high growth being registered in the retail sector in the developed countries and the developing countries such as India which is almost on the average of a retail revolution, there is a high research interest in this area.

2. STATEMENT OF THE PROBLEM

Shopping for food and grocery product has witnessed a revolution in Indian retail market with the changes in the consumer buying behaviour driven by strong income growth, changing lifestyles and favourable demographic patterns. Most of the food and grocery products reach the consumers through traditional kirana stores which are unorganized. But the very fast changing trends in consumption patterns, food and eating habits of consumers have contributed vastly to the expansion of 'Western' format typologies like super markets, convenience stores, discount stores, and hyper markets. Previous marketing research studies indicate that shoppers become more hard pressed for time and their preferences would shift towards one-stop shopping experiences. Apart from availability of time, money and effort, see touch-feel and select factors also influencing shopper buying behavior towards choice of retail formats in food and grocery retailing. It is also observed that some consumers may find needs satisfied by single retail store format, but the majority of consumers divide their patronage among multiple retail formats that, in combination, can satisfy their needs. The outcome is that store shares customers or their customers "overlap". In recent times, overlapping often occurs in Indian organized grocery retailing where research consistently shows that the overwhelming majority of consumers shop in more than one retail format. Overlap is the norm and store loyalty is the exception. Moreover, retail format choice was a dynamic decision and could be conceptualized as a problem of deciding when and where to shop. While first decision is on the store location choice problem, the second is the looking trip incidence downside regarding the temporal order of looking journeys. Store choice has also been found dependent on the timing of shopping trips as consumers might attend an area store for brief "fill-in" journeys and to a lot of distant grocery store for regular shopping trips²³. Both these decisions are influenced by shopper characteristics and consumption patterns. Thus, mostly shoppers change their primary store loyalty in the very short term, but many shoppers change their primary store choice once or more each year .the emergence of a variety of retail formats offering a diverse mix of offerings to the consumers, adds further confusion to the domain of store choice. In the light of paradigm shift in shopper's attributes and the development of modern retail formats, research of particular importance to this dissertation is the identification of shopper and store attributes affecting patronage behaviour when shoppers making decisions for shopping food and grocery products.

3. OBJECTIVES OF THE STUDY

The overall objective of this study is to present a better understanding of factors influencing consumer behaviour towards retail format choice in food and grocery retailing. The specific objectives for this study are:

1. To study the growth and development of food and grocery retailing in general and retail formats such as Neighborhood Kirana Stores and Supermarkets in particular,
2. To examine the effect of consumer characteristics (socio-economic, demographic, and psychographic) on retail format decisions,
3. To examine the effect of chronological aspects such as frequency of visit, Purchase volume, and time spent in the store on retail format behaviour,
4. To examine the effect of store format attributes on retail format,
5. To explore the effect of situational factors such as task definitions and perceived risk on retail format,
6. To derive marketing inference from the information gathered.

4. REVIEW OF LITERATURE

In this chapter a literature review regarding customer loyalty, satisfaction and their patronage behavior towards retail formats shall be discussed. Furthermore, additional related concepts and definitions of consumer behavior and retailing will also be discussed.

The nature of this research is focused on the 'Retailing Formats' that exist nowadays, and range from traditional smaller store units to the larger supercenters. However, it is seen in recent times that as part of the worldwide development trend the formats have greatly shifted towards larger supermarkets or one stop shops. For understanding retail formats and consumer choices the researcher searched university library databases such as Scopus, Ebsco and Business Source Premium for related studies.

1. CONSUMER BEHAVIOR

Schiffman, Hansen, & Kanuk, (2008) the term consumer behavior is described as the 'behavior that consumer shows in buying, purchasing, using, evaluating and disposing of product and services which satisfy their expected needs.

2. RETAILING

The American Marketing Association (AMA, 2012) has defined retailing as " A set of business activities carried on to accomplishing the exchange of goods and services for the purpose of personal, family, or household use, whether performed in store or by some form of non-store selling.

Levy and Weitz (2007) retailing is a set of all business activities that increases value to the product and the services which are sold to the end user for their personal or family use. Retailing is not only concerned with sales of products in stores, but also involves the sale of services as well.

3. CUSTOMER SATISFACTION AND LOYALTY TOWARDS RETAIL

Schiffman et al., 2008, Customer satisfaction is the match between an individual's perception about the performance of the product or service with respect to his or her expectations. The concept of customer satisfaction is based on customer expectations; if the performance of the product or service is below the level of expectation then the customer will be dissatisfied

4. RETAIL SATISFACTION

Arnold, 2000, concluded that Loyalty to salesperson has a positive effect on retail satisfaction and Loyalty to stores also has a positive and significant effect on retail satisfaction.

5. STORE LOYALTY

Huddleston, Whipple, & VanAuken, 2004 accomplished that Discount prices through Advertisements increases store loyalty, Stores close to home include location, easily accessible increases store loyalty and Product assortment has a positive effect on store loyalty.

6. CONSUMER STORE CHOICE

Yilmaz, Aktas, & Celik, 2007, found that Results shows that convenient location, price and quality of products, sales personnel attitudes and physical attractiveness play very important role in consumer store choice and the two most important attributes are easy accessibility to the product in short time when at the store and the accessibility to the market under a larger concept of convenient location.

7. CONSUMER PERCEPTION TOWARDS ORGANIZED RETAIL STORE

Dalwadi, Rathod, & Patel, 2010, conducted a study and found that Age, family Income, Marital Status, Gender and occupation have no significant influence on consumer perception towards organized retail stores. Sales personal also have no significant influence on consumers purchase decision. While store layout, convenient shopping, promotional schemes, product pricing, customer service, employee behavior and store ambience have positive influence on consumer's perception towards organized retail store, except product range which is valued less by customers.

Cherukuri Jayasankara Prasad, 2011, concluded that Younger, higher income and educated people have greater patronage towards modern grocery store. Large family sizes preferred supermarkets and hypermarkets. From geographic point of view people preferred to shop where stores are less distant from households usually customers buy from convenient stores. From Psychographic point of view which includes values, lifestyle and shopping orientation has significantly influence on store format choices. And people preferred different retail format according to his/her values, lifestyle and shopping orientation.

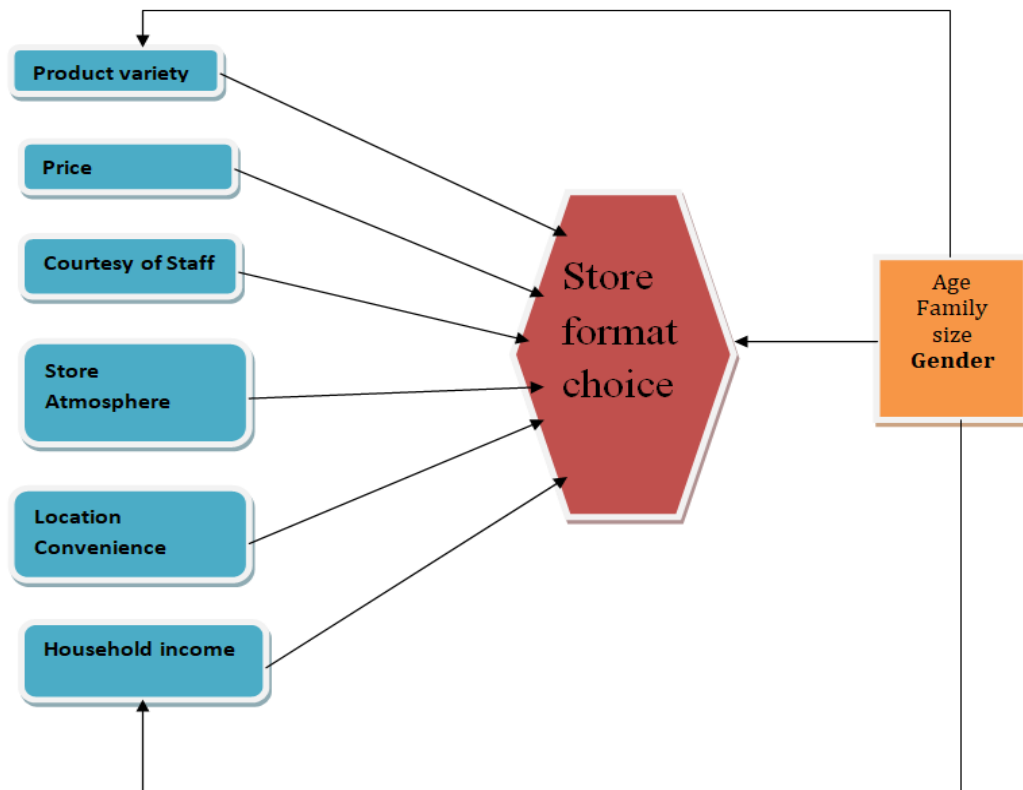
8. Customer Satisfaction and Loyalty in Unorganized Retail

Thenmozhi & Dhanapal, 2011 has concluded that Store merchandise, Access, Problem solving and Personal interaction has a significant impact on customer satisfaction. While problem solving and personal interaction have significant impact on customer loyalty. Policy and physical aspect are found to have no impact on any dependent variable

9. Consumers Patronage behavior between Traditional and Modern store

Zameer & Mukherjee, 2011 has found that Location and Customized Convenience include distance from household, Phone order, Home delivery, Credit facility, Bargaining facility attract customers towards traditional store. Furthermore, Dissonance reducing measures include good return and exchange facilities are found to have a significant role towards the traditional retail stores because of good relation with customers, retailer offers this facility to customers. Product choice includes Product variety, product quantity & Expected prices attract customers towards modern store. Store management includes self-service, store layout courtesy of staff and product knowledge by staff, atmosphere of the store and regular product availability attract customers towards modern store.

5. CONCEPTUAL FRAMEWORK



6. RESEARCH DESIGN AND METHODOLOGY

The research design represents a master plan of action for the research that begins with defining the research question, selecting appropriate variables for study, methods for collecting the desired data and finally analyzing the same for accurate results. Where the research design encompasses the entire framework to conduct the research, the research methodology is one part of it. It deals with deciding and implementing suitable techniques used to collect and analyze data for the study (Ghauri & Grønhaug, 2010).

The current research is a cross-sectional study and following a descriptive research design. a. For this study, Tamil Nadu is selected as the geographical area. The locale of the study is selected districts of Tamil Nadu like Thanjavur, Pudukottai, Thiruvarur and Trichy respectively. The purpose of this chapter is to explain the methods used in this study. Items include the research design, pilot study, dimension of the study, hypothesis of the study, population and sample, instrumentation, reliability and validity of the instrumentation, data-gathering procedures, and the methods of statistical analysis.

SOURCES OF DATA USED

Both types of data (i.e.) secondary and primary data are used in the present study. The secondary data have been collected at first form the text books, web sites, journals and other secondary sources. The primary data are collected then from the sample retailers of the considered study area.

POPULATION AND SAMPLES

Population of the present study consists of food and grocery retailers of organized and unorganized sformats. The first group includes the large scale retail shops (super markets, department stores etc) and second group includes the traditional unorganized retailers. Retail store managers of these two different food and grocery formats were interviewed for the survey. As the population of the both the groups is very large, descriptive research design was adopted and convenience sample method has been used in the present study. But, the present study takes the entire market of the selected districts, Trichy, Thanjavur, Thiruvarur and Pudukottai where investments pour into and has become the districts that possess the cities under tier 3 levels. One of the basic reasons for investments flocking in to these districts is due to available properties, affordable prices and special initiatives taken by the government in providing with infrastructural facilities.

SAMPLING TECHNIQUE

The purposive random sampling technique was adopted for the present study. This method is used in descriptive research where the researcher is interested in getting an inexpensive approximation of the truth. Purposive sampling is a sampling technique in which researcher relies on his or her own judgment when choosing members of population to participate in the study. This non-probability method is often used during preliminary research efforts to get a gross estimate of the results, without incurring the cost or time required to select a random sample.

SAMPLING SIZE

This refers to the number of items to be selected from the universe to constitute a sample. Sample size has direct bearing on how accurate the findings are relative to the true values in the population. Therefore, determining an appropriate sample size for this research was considered to be a paramount importance.

DISTRICTS	NO. OF SAMPLE CONSUMERS	VALID SAMPLE RESPONSE
Trichy	220	170
Thanjavur	175	115
Pudukottai	175	115
Thiruvarur	148	100
TOTAL	718	500

CONCEPTUAL MODEL FIT FOR CONSUMERS' RETAIL FORMAT CHOICE IN FOOD & GROCERY RETAILING BY USING STRUCTURAL EQUATION MODEL

Structural equation modelling, or SEM, is a very general, chiefly linear, chiefly cross-sectional statistical modelling technique. Factor analysis, path analysis and regression all represent special cases of SEM. SEM is a largely confirmatory, rather than exploratory, technique. That is, a researcher are more likely to use SEM to determine whether a certain model is valid., rather than using SEM to find a suitable model--although SEM analyses often involve a certain exploratory element. In SEM, interest usually focuses on latent constructs - abstract psychological variables like "intelligence" or "attitude toward the brand"--rather than on the manifest variables used to measure these constructs. Measurement is recognized as difficult and error-prone. By explicitly modelling measurement error, SEM users seek to derive unbiased estimates for the relations between latent constructs. To this end, SEM allows multiple measures to be associated with a single latent construct. A structural equation model implies a structure of the covariance matrix of the measures. Hence an alternative name for this field, "analysis of covariance structures. Once the model's parameters have been estimated, the resulting model-implied covariance matrix can then be compared to an empirical or data-based covariance matrix. If the

two matrices are consistent with one another, then the structural equation model can be considered a plausible explanation for relations between the measures.

The variables used in the structural equation model are

Observed, endogenous variables

1. Overall Satisfaction
2. Store Format Choice
3. Socio – Demographic

Observed, exogenous variables

1. Store Atmosphere
2. Local Convenience
3. Courtesy of staff
4. Price
5. Product variety

Unobserved, exogenous variables

1. Error 1 for Overall Satisfaction
2. Error 2 for Socio – Demographic
3. Error 3 Store Format Choice

Table – 1: Summary of the variables used for the analysis

Number of variables in your model:	11
Number of observed variables:	8
Number of unobserved variables:	3
Number of exogenous variables:	8
Number of endogenous variables:	3

Source: Output generated from Amos 20.

Figure – 1: Unstandardized estimate for Structural Equation Model of the consumers’ retail format choice

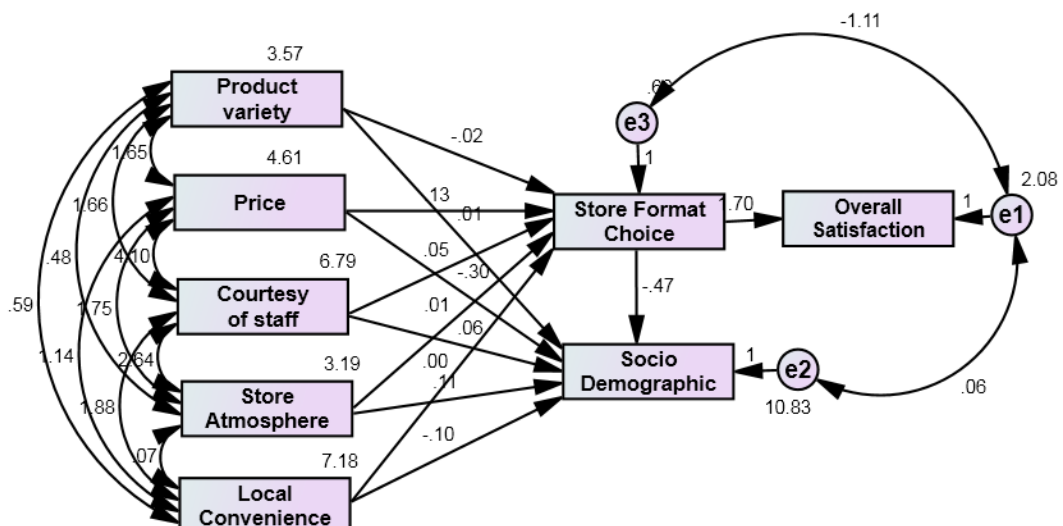


Figure – 2: Standardized estimate for Structural Equation Model of the consumers' retail format choice

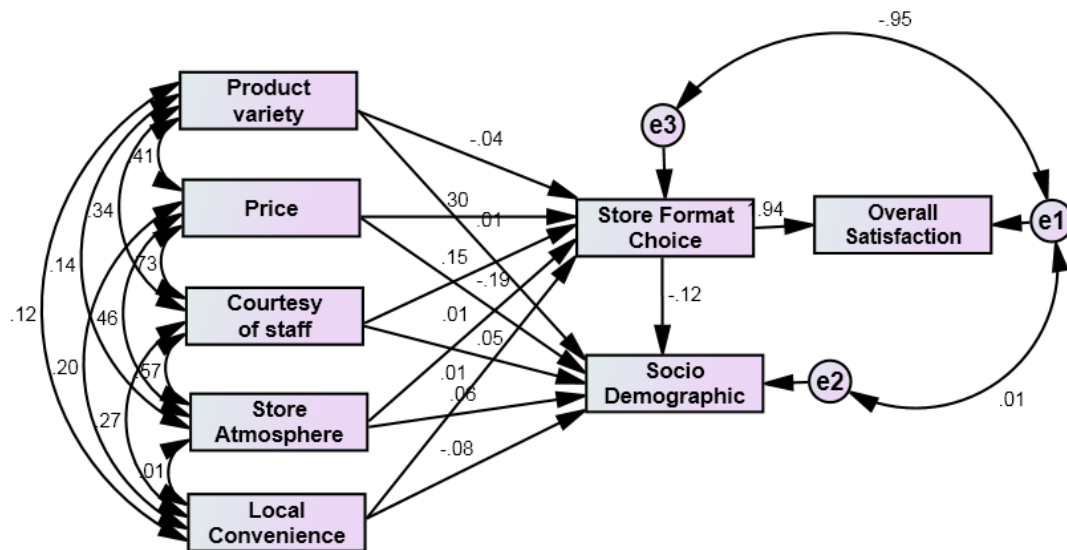


Table – 2: Regression weights for Structural Equation Model for the consumers' retail format choice

Regression weights	Un standardized Estimate	S.E.	Standardized Estimate	C.R.	P
Store Format Choice <--- Price	.127	.013	.305	9.508	***
Store Format Choice <--- Product Variety	-.019	.007	-.039	-2.758	.006
Store Format Choice <--- Courtesy of Staff	.052	.009	.150	5.782	***
Store Format Choice <--- Atmosphere	.007	.009	.014	.820	.412
Store Format Choice <--- Convenience	.003	.004	.010	.737	.461
Overall Satisfaction <--- Store Format Choice	1.700	.177	1.943	9.586	***
Socio – Demographic <---Store Format Choice	-.472	.195	-.124	-2.425	.015
Socio – Demographic <--- Courtesy of Staff	.064	.095	.049	.672	.502
Socio – Demographic <--- Price	-.303	.105	-.192	-2.884	.004
Socio – Demographic <--- Product Variety	.011	.086	.006	.124	.902
Socio – Demographic <--- Store Atmosphere	.110	.107	.058	1.027	.304
Socio – Demographic <--- Local Convenience	-.097	.058	-.077	-1.673	.094

Source: Output generated from Amos 20.

Store Format Choice

When Price goes up by 1, Store Format Choice goes up by 0.127. When Price goes up by 1 standard deviation; Store Format Choice goes up by 0.305 standard deviations. The regression weight estimate, 0.127, has a standard error of about 0.013. The probability of getting a critical ratio as large as 9.508 in absolute value is less than 0.001. In other words, the regression weight for Price in the prediction of Store Format Choice is significantly different from zero at the 0.001 level (two-tailed).

When Product goes up by 1, Store Format Choice goes down by 0.019. When **Product** goes up by 1 standard deviation, Store Format Choice goes down by 0.039 standard deviations. The regression weight estimate, -.019, has a standard error of about .007. The probability of getting a critical ratio as large as 2.758 in absolute value is .006. In other words, the regression weight for Product in the prediction of Store Format Choice is significantly different from zero at the 0.01 level (two-tailed).

When Courtesy goes up by 1, Store Format Choice goes up by 0.052. When Courtesy goes up by 1 standard deviation, Store Format Choice goes up by 0.15 standard deviations. The regression weight estimate, .052, has a standard error of about .009. The probability of getting a critical ratio as large as 5.782 in absolute value is less than 0.001. In other words, the regression weight for Courtesy in the prediction of Store Format Choice is significantly different from zero at the 0.001 level (two-tailed).

When Atmosphere goes up by 1, Store Format Choice goes up by 0.007. When Atmosphere goes up by 1 standard deviation, Store Format Choice goes up by 0.014 standard deviations. The regression weight estimate, .052, has a standard error of about .009. The probability of getting a critical ratio as large as 0.82 in absolute value is .412. In other words, the regression weight for Atmosphere in the prediction of Store Format Choice is not significantly different from zero at the 0.05 level (two-tailed).

When Convenience goes up by 1, Store Format Choice goes up by 0.003. When Convenience goes up by 1 standard deviation, Store Format Choice goes up by 0.01 standard deviations. The regression weight estimate, .003, has a standard error of about .004. The probability of getting a critical ratio as large as 0.737 in absolute value is .461. In other words, the regression weight for Convenience in the prediction of Store Format Choice is not significantly different from zero at the 0.05 level (two-tailed).

When Store Format Choice goes up by 1, Overall Satisfaction goes up by 1.7. When Store Format Choice goes up by 1 standard deviation, Overall Satisfaction goes up by 1.943 standard deviations. The regression weight estimate, 1.700, has a standard error of about .177. The probability of getting a critical ratio as large as 9.586 in absolute value is less than 0.001. In other words, the regression weight for Store Format Choice in the prediction of Overall Satisfaction is significantly different from zero at the 0.001 level (two-tailed).

When Store Format Choice goes up by 1, Socio – Demographic goes down by 0.472. When Store Format Choice goes up by 1 standard deviation, Socio – Demographic goes down by 0.124 standard deviations. The regression weight estimate, -.472, has a standard error of about .195. The probability of getting a critical ratio as large as 2.425 in absolute value is .015. In other words, the regression weight for Store Format Choice in the prediction of Socio is significantly different from zero at the 0.05 level (two-tailed).

When Courtesy goes up by 1, Socio goes up by 0.064. When Courtesy goes up by 1 standard deviation, Socio – Demographic goes up by 0.049 standard deviations. The regression weight estimate, .064, has a standard error of about .095. The probability of getting a critical ratio as large as 0.672 in absolute value is .502. In other words, the regression weight for Courtesy in the prediction of Socio – Demographic is not significantly different from zero at the 0.05 level (two-tailed).

When Price goes up by 1, Socio goes down by 0.303. When Price goes up by 1 standard deviation, Socio – Demographic goes down by 0.192 standard deviations. The regression weight estimate, -.303, has a standard error of about .105. The probability of getting a critical ratio as large as 2.884 in absolute value is .004. In other words, the regression weight for PRICE in the prediction of Socio – Demographic is significantly different from zero at the 0.01 level (two-tailed).

When Product goes up by 1, Socio goes up by 0.011. When Product goes up by 1 standard deviation, Socio goes up by 0.006 standard deviations. The regression weight estimate, .011, has a standard error of about .086. The probability of getting a critical ratio as large as 0.124 in absolute value is .902. In other words, the regression weight for PRODUCT in the prediction of Socio is not significantly different from zero at the 0.05 level (two-tailed).

When Atmosphere goes up by 1, Socio goes up by 0.11. When Atmosphere goes up by 1 standard deviation, Socio goes up by 0.058 standard deviations. The regression weight estimate, .110, has a standard error of about .107. The probability of getting a critical ratio as large as 1.027 in absolute value is .304. In other words, the regression weight for Atmosphere in the prediction of Socio is not significantly different from zero at the 0.05 level (two-tailed).

When Convenience goes up by 1, Socio goes down by 0.097. When Convenience goes up by 1 standard deviation, Socio goes down by 0.077 standard deviations. The regression weight estimate, -.097, has a standard error of about .058. The probability of getting a critical ratio as large as 1.673 in absolute value is .094. In other words, the regression weight for Convenience in the prediction of Socio is not significantly different from zero at the 0.05 level (two-tailed).

Table – 3: Model Fit Summary for the consumers' retail format choice

Indices	Value	Suggested Value
Chi-square value	75.771	
P value	1.000	>0.05 (Hair et al., 1998)
CMIN/DF	18.943	< 5 (Marsh&Hocevar,1985)
GFI	0.966	>0.90 (Hu and Bentler, 1999)
AGFI	0.694	>0.90 (Hair et al. 2006)
CFI	0.951	>0.90 (Daire et al., 2008)
RMR	0.090	<0.08 (Hair et al. 2006)
RMSEA	0.190	<0.08 (Hair et al. 2006)

Source: Output generated from Amos 20

From the above table it is found that the calculated P value is 1.000 which is greater than 0.05 which indicates the model is fit. And also CMIN/DF value is 18.943 which is less than 5 which indicates the model is fit. Here GFI (Goodness of Fit Index) value and AGFI (Adjusted Goodness of Fit Index) value is greater than 0.9 which represent it is a good fit. The calculated CFI (Comparative Fit Index) value is 0.954 which means that it is a perfectly fit and also it is found that RMR (Root Mean Square Residuals) value is 0.090 and RMSEA (Root Mean Square Error of Approximation) value is 0.190 which is less than 0.10 which indicated it is perfectly fit.

7. FINDINGS

The results and hypothesis testing showed that six freelance variables including: courtesy of workers, price, product selection, store atmosphere, location, monthly financial gain had vital impact on the format alternative call of the customers. The aim of this analysis was to spot the factors touching the shop format alternative and that factors carry larger impact on store format alternative among customers. In general, it absolutely was determined that ancient retail formats even supposing still having a stimulating presence within the wider marketing surroundings, the trendy stores are getting additional well-liked among the shoppers. this can be due to many completely different reasons explained below.

The first variable that was known was courtesy of staffs.. The results verified this variable has positive vital relationship with sales outlet format alternative. within the context ,customers like store workers to assist them choose sensible product whereas they search within the trendy stores. The additional educated workers means they're committed to their job and thus to customers. This makes customers feel assured in taking their recommendation.

The second substantial variable to impact store format preference was affordable price. They found that worth is that the most vital issue that influences customers alternative patterns; particularly for the acquisition of food and grocery things from completely different stores. this can be therefore as a result of these square measure daily usage things and square measure needed pronto once perished. The analysis findings steered that costs square measure perceived as additional affordable in ancient stores. The rationale could also be that the folks save their time and also the transportation prices once getting from a conventional store.

The third variable, that conjointly seems to be the foremost cogent on the shop format choice, was product selection. The analysis results found that the merchandise selection contains a positive vital relationship with a store format alternative particularly for contemporary store formats

The fourth variable was known as "store atmosphere". The results declared that customers UN agency categorical higher importance of store atmosphere most well-liked to buy from trendy stores instead of ancient store formats. This increased the shopping for expertise by aiding comfort in locating, comparison and choice of products. what is more, sanitation is extremely. It stimulates a way of eudemonia and quiet the issues of the patron. folks hesitate for visit dark dingy and dirty locations typically, similar is true for searching functions, particularly once it involves food purchase. The neatness and cleanliness within the shop conjointly enhances the sensation that the product being sold square measure contemporary, healthy and reliable.

The fifth variable having a bearing on store format selection between ancient and trendy store was known as location convenience. The results showed that customers who were sensitive toward the situation of the shop favored to buy from ancient formats than in trendy ones, because the former area unit typically set terribly close to their residential areas.

The sixth influential variable noted was monthly income. As per the hypothesis higher the monthly financial gain, the additional possible customers area unit to like trendy store format than ancient stores. Developing countries area unit additional possible to be poorness stricken and also the monthly financial gain of people is that the biggest deciding issue. However, as for this analysis on the retail format selection, it's found to be the smallest amount influential issue. the explanation for this could be that the majority of the individuals got to obtain the daily wants of life, (i.e. food things like milk, bread, staples etc). choice of format on the premise of financial gain solely matters additional for the people that afford to shop for over simply the essential wants (i.e. complementary items).

The overall results of the analysis area unit summarized below:

It shows that the merchandise selection, courtesy of workers, store atmosphere and financial gain completely effects the preference for contemporary stores. Firstly, product selection, store atmosphere and courtesy of workers area unit associated with preference of recent store formats. The fourth variable touching the trendy store format choice is financial gain. In most of the developing countries, the financial gain distribution is wide unequal. a really vital issue to be noted here is that an individual earning Rs.10k can solely have cash enough to satisfy the overall basic wants. individuals at that financial gain level aren't extremely gazing the shop formats and aren't specifically involved with product selection or courteous workers and store atmosphere. the bulk (67.4%) of the respondents for this analysis came bent be from the financial gain level cluster of Rs.30k or higher. it's a medium to high financial gain level, and such individuals area unit during a position to mirror upon and be suffering from the various retail formats. The study showed that the upper the financial gain level, the higher the possibilities to pick out the trendy stores. On the opposite hand, the situation and relative worth variables were found to steer to a preference of the normal stores. Here, it's price noting that the culture prevailing in India is very ancient, collective and family familiarized. this can be vital since, as within the old school manner of living, the ladies of the house area unit to blame of grocery searching and like to not go distant for the house. this can be clearly noticeable by the actual fact that location and worth each favor the normal formats per se stores commonly exist within the native vicinities, quite close to the residential areas

SUGGESTIONS

The current research puts forth some useful insights in the field of retailing and consumer behavior in general and behavioral preferences and decision making for traditional and modern store formats .It is important for the retailers to know consumer preferences and decision process, how they behave before and after purchase and what factors influence them to visit the store repeatedly. This allows the retailers to introduce strategies to attract more consumers and increase sales. The research emphasis on location convenience has an advantage for traditional stores over modern one. They can use the approach of franchising smaller stores or may enter directly by opening smaller outlets in the residential areas. In order to gain profit for the long term both, types of formats need improvements in their business operations and need to review their retailing business strategies. Finally, the managerial implications of this study will help both traditional and modern food and grocery retailers to frame their business strategies and reposition themselves to face new competition and retain or improve their existing potential by attracting more potential customers.

LIMITATIONS OF THE STUDY

Firstly, it is only focused on the food and grocery retail store formats. This study considered only six variables to predict consumer preferences of traditional and modern food and grocery formats. The data collection and sample size was restricted to 500 consumers only. There may be a chance of biased responses since data was collected during daytime only. This bias may be reflecting the fact that working individuals are less available during the official working hours and may have different opinions regarding store format selection.

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