



**“FACTORS INFLUENCING THE CHOICE OF ORGANIZED RETAIL OUTLETS OF  
THE CONSUMERS IN DELHI & NCR”**

\*Mohammad Wasiq

\* *Department of Business Administration, Al-Falah School of engineering  
& Technology, Faridabad*

---

**Abstract**

*In present business scenario with stiff competition and survival risk, it is of vital importance for the retailers to understand the consumers in greater depth. The understanding of consumer provides various insights in the strategies formulation. The present research work on factors influencing the choice of organized retail outlets of the consumers in Delhi & NCR reveals the factors which influence the consumers to change their preference towards organized retailing. The objective of the study is formulated to analyse the most prioritized attributes of organized formats which attracts the consumers towards organized retailers in Delhi & NCR. The Stratified random sampling (Two stage sampling) was adapted in the study and the primary data is collected through survey. Percentage analysis, Weighted Average method and ANOVA are used to interpret the findings. It is found that the customers prefer organized retailers to unorganized retailers because of the store attributes such as quality, Convenience, Variety, Consistency, Price, Hygiene etc offered by the former. Income of the customers had a major influence on their choice of organized retail outlet especially when it comes to the availability of different varieties of products and display of information in the store.*

**Keywords:** Organized retail; Store Attributes; Store Image; Prioritized Attributes.

---

\*Corresponding author: \* Mohammad Wasiq

**Reference this paper as:** Wasique.M, “factors influencing the choice of organized retail outlets of the consumers in Delhi & NCR” *International Journal of Marketing & Financial Management, Vol. 1, Issue 1, Dec-2013, pp 24-37*

## **INTRODUCTION**

Over the last two decades fundamental changes have taken place in the way and structure of retailing. Consumer lifestyles have also changed markedly. Despite some important studies of gaining knowledge about new retail developments and consumers, I argue in this paper that there is a critical need to gauge the factors which attracts consumers towards a particular store. Retailing by its very nature, is a dynamic industry. Over the years, the increasing literacy in our country and the exposure to developed nations by way of the overseas work experiences, the consumer awareness has increased on the quality and the price of the products/services that is expected. Today more and more consumers are vocal on the quality of the products/services that they expect from the market. This awareness has made the consumer seek more and more reliable sources for purchases and hence the logical shift to purchases from the organized retail chains that has a corporate background and where the accountability is more pronounced. The consumer also seeks to purchase from a place where his/her feedback is more valued.

The retail environment today is changing more rapidly than before. It is characterized by intensifying competition and more sophisticated and demanding customers who have greater expectations related to their consumption and shopping experiences. The physical environments of retail stores and the attributes of the stores create a tangible representation or image of a store. The attractive physical dimensions of the stores such as lighting, air- conditioning, washrooms, store layout, aisle placement etc., contributes to the store’s personality which ultimately draws the maximum number of customers in the current retail scenario.

The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as how

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);
- The the psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;

- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Understanding these issues helps us adapt our strategies by taking the consumer into consideration. For example, by understanding that a number of different messages compete for our potential customers' attention, we learn that to be effective, advertisements must usually be repeated extensively. We also learn that consumers will sometimes be persuaded more by logical arguments, but at other times will be persuaded more by emotional or symbolic appeals. By understanding the consumer, we will be able to make a more informed decision as to which strategy to employ.

There are three fundamental patterns which a consumer can follow and they could be:

- (I) Brand first, retail outlet second
- (ii) Retail outlet first, brand second
- (iii) Brand and retail outlet simultaneously.

Besides from the above stated facts the following factors are also very much important for attracting, converting and retaining customers in a particular retail outlet. These factors are being described below.

1. Availability of merchandise in the store
2. Product Quality
3. Product range (both product width and depth)
4. Promotional offers and frequency of schemes.
5. Services (pre, during and post purchase)
6. Pricing as a result of merchandise on offer
7. Ambience of the store

## **1. REVIEW OF LITERATURE**

Bashar, Abu (2012) explored that in an increasingly competitive market environment future success for shopping centers will depend on effective management and marketing. Shoppers have a good choice of centers, all of which can meet their needs at a practical level. Centres need to develop a compelling personality and distinctive position, based on identification of particular strengths within their marketing mix that will appeal to their chosen target market.

Hemraj Verma and Pankaj Madan<sup>2</sup> (2011) in their study on the “Factors Analysing The Store Attributes To Identify Key Components Of Store Image (A Study On Some Selected Apparel Stores In India)” have attempted to find out the key factors that are perceived as important to Indian consumer. As the Indian retail environment is going through a sea change due to the introduction of new formats and opening up of retail industry, the investigators found the imperative to analyse the importance of different store image perception attributes in the India Context. The five factors extracted through Factor analysis are Store's Product and Operational Quality, Store's Overall Visual Appeal, Customer Convenience, Perceived Price and Past Satisfaction and Store's Promotional Effectiveness.

Mathew Joseph and Manisha Gupta<sup>4</sup> (2008) in their study on —Impact of organized retailing on unorganized sector said that the Indian retail sector is booming and modernizing rapidly in line with India's economic growth. This study, the second undertaken by ICRIER on the retail industry, attempts to rigorously analyse the impact of organized retailing on different segments of the economy. With the increase in number of formats for shopping like malls, departmental stores, hypermarkets etc the Indian consumer's preferences are changing towards organized retailing. One of the surprising findings of the study is that low-income consumers save more than others through shopping at organized retail outlets.

Arpita Khare<sup>1</sup> (2011) in his study on —Mall shopping behaviour of Indian small town consumers —has carried out a research in small cities to understand the mall shopping behavior of the people and specifically focused on exploring the differences across age and gender groups with regard to the familiarity with the concept of malls and their exposure to the organized retail.

ANOVA test was used for the analyses. The results showed that consumers' gender and age play an important role in determining their attitude towards shopping in malls.

S. Ramesh Kumar, et.al, (2011) in their study on —Exploring Consumer Retail Shopping Experience explored the consumer retail shopping experience in modern retail formats. He also examined the factors that affect the consumer's shopping experience in the Indian cultural milieu. The author felt a need for studying motivations and behaviour with respect to actual retail store attributes as there were significant literature on consumer motivations, expectations and shopping orientations in the Indian context. The article provided an insight about various factors influencing consumers in the modern retail context and the preference order for the same.

Though there are a number of studies done to measure the influence of store attributes on customer satisfaction and store patronage behaviour, this study is an attempt to study the behavior of the consumer towards organized retail store attributes.

## **2. METHODOLOGY**

The objective of the study is formulated to analyse the most prioritized attributes of organized formats which attracts the consumers towards organized retailers in Delhi & NCR. The Stratified random sampling (Two stage sampling) was adapted in the study and the primary data from 250 customers was collected through survey. Percentage analysis, Weighted Average method and ANOVA are used to interpret the findings. A hypothesis was set to find out the difference in the opinion of the customers on the organized retail store attributes under different income levels.

## **3. RESULTS AND DISCUSSIONS**

**Table 1: Gender of respondents**

**Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	121	48.4	48.4	48.4
Female	129	51.6	51.6	100.0
Total	250	100.0	100.0	

The above table shows that 48.4% of male and 51.6% female respondents, it shows that more females are making purchasing as compared to men.

**Table 2: Age of respondents**

**Age in years**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-25	24	9.6	9.6	9.6
25-32	113	45.2	45.2	54.8
32-39	88	35.2	35.2	90.0
39-46	22	8.8	8.8	98.8
46 and above	3	1.2	1.2	100.0
Total	250	100.0	100.0	

Majority of respondents are in age group of 25-32 (45.2%) years and 32-39 years (35.2%) both of this age group alone contains around 78% of total respondents. Therefore, it may be concluded that most of the shoppers are in 25-39 years of age.

**Table 3: Disposable Income of respondents**

**Disposable Income**

	Frequency	Percent	Valid Percent	Cumulative Percent
under 5000	23	9.2	9.2	9.2
5000-10000	101	40.4	40.4	49.6
10000-15000	84	33.6	33.6	83.2
15000-20000	39	15.6	15.6	98.8
20000 and above	3	1.2	1.2	100.0
Total	250	100.0	100.0	

Most of the respondents are having disposable income between 5000-15000 (74%).

**Table 4: Nature of jobs of respondents: Nature of job**

	Frequency	Percent	Valid Percent	Cumulative Percent
Government Employee	67	26.8	26.8	26.8
Private sector	163	65.2	65.2	92.0
self Employed	20	8.0	8.0	100.0
Total	250	100.0	100.0	

Majority of respondents (65.2%) are in private sector jobs.

**Table 5: Frequency of weekly store Visit : Frequency of weekly store visit**

	Frequency	Percent	Valid Percent	Cumulative Percent
once a week	10	4.0	4.0	4.0
twice a week	142	56.8	56.8	60.8
Thrice a week	80	32.0	32.0	92.8
four times a week	13	5.2	5.2	98.0
more than four times	5	2.0	2.0	100.0
Total	250	100.0	100.0	

Majority of respondents are visiting twice (56.8%) and thrice (32%) a week to the stores.

**Table 6: Marital status Marital Status**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid married	170	68.0	68.0	68.0
unmarried	80	32.0	32.0	100.0
Total	250	100.0	100.0	

Table 6 shows that 68% of the total respondents are married.

**Table 7: Factors influencing buying decisions in organized retail stores**

		Factors influencing Buying Decision			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Availability of range of products	66	26.4	26.4	26.4
	Reasonable price	51	20.4	20.4	46.8
	Displays and signage	26	10.4	10.4	57.2
	Personal service	19	7.6	7.6	64.8
	Lighting in the store	34	13.6	13.6	78.4
	Food court	37	14.8	14.8	93.2
	Parking space	17	6.8	6.8	100.0
	Total	250	100.0	100.0	

The above table shows that the main factors behind the buying decision of customers are availability of range of products in store and reasonable price (combined 46.8% of respondents), the other factors which affects the buying decisions hugely are food court (14.8%) and lighting in the store (13.6%). It indicates that reasonable price gets highest priority next to the availability of range (variety) of products in the organized shop.

**Table 8: Rank assigned to attributes of organized formats**

S. NO.	PREFERENCE	WEIGHTED AVERAGE	RANK
1	Quality	4.51	I
2	Choice/Variety	4.27	II
3	Display of Information	3.86	III
4	Convenience	3.83	IV
5	Service	3.72	VI
6	Price	3.36	VII
7	Hygiene	3.76	V

From the above table, we can infer that quality is ranked first based on the weighted average obtained, Choice/Variety is ranked second, Display of information is ranked third, convenience is ranked fourth, hygiene is ranked fifth, service is ranked sixth, and price is ranked seventh by

the customers of organized retailers. It is evident that quality and Variety are given much importance while making the purchase decision in organized retail outlets.

**Extent of variation in the opinion about attributes of organized retail formats based on the income level of the customers**

Ho: There is no significant difference between income of the customers and their perception on attributes of organized stores.

H1: There is significant difference between income of the customers and their perception on attributes of organized stores.

**Table 9: ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Quality	Between Groups	1.068	4	.267	.882	.452
	Within Groups	86.532	245	.353		
	Total	87.600	249			
Choice/ Variety	Between Groups	.735	4	.184	2.329	.045
	Within Groups	136.981	245	.559		*
	Total	137.716	249			
Display of Information	Between Groups	6.019	4	1.505	4.638	.004
	Within Groups	196.365	245	.801		*
	Total	202.384	249			
Convenience	Between Groups	.590	4	.148	.406	.749
	Within Groups	171.654	245	.701		
	Total	172.244	249			
Service	Between Groups	3.525	4	.881	1.828	.145
	Within Groups	226.075	245	.923		

	Total	229.600	249			
Price	Between Groups	.815	4	.204	.736	.532
	Within Groups	61.621	245	.252		
	Total	62.436	249			
Hygiene	Between Groups	1.031	4	.258	.029	.993
	Within Groups	77.133	245	.315		
	Total	78.164	249			

\* Significant at 5% level

Table 9 shows the difference of opinion on the attributes of organized retailers based on the income level of the customers. Since the sig value is less than 0.05 for the variables display of information and the available choice/variety, we reject H<sub>0</sub> and accept H<sub>1</sub>. We may conclude that the customers under different income categories and their opinion on the display of information and the available choice/variety, in the organized retail outlets differs significantly. With regard to the other attributes of the store considered for the study such as quality, convenience, service, price and hygiene, the sig values are higher than 0.05 the H<sub>0</sub> is accepted. It shows that the customers from different income categories do not differ in their opinion on the preferences of the attributes other than display and the variety of products offered in the organized retail outlets where they purchase.

#### 4. CONCLUSION

The customers in Coimbatore prefer organized retailers to unorganized retailers because of the store attributes such as quality, Convenience, Variety, Consistency, Price, Hygiene etc offered by the former. Reasonable price gets highest priority next to the availability of range (variety) of products among the features of the organized retail shop, while the customer purchase from organized retail outlets. Based on the weighted average of the ranks assigned to the attributes of the store by the customers, quality is ranked as the most (first) preferred attribute. Income of the customers had a major influence on their choice of organized retail outlet especially when it comes to the availability of different varieties of products and display of information in the organized store.

## **5. REFERENCES**

- Abu Bashar (2012). Factors affecting conversion of footfall in a retail outlet, *International Journal of Management and Strategy*, Vol. No.3, Issue 4, January-June 2012
- Abrams, R.M. (1996). Make your store a work of art. *Advertising Age*, April 4, report.
- Ainslie, G. (1975). Specious reward: a behavioral theory of impulsiveness and impulse control. *Psychological Bulletin*, 82, 463-96.
- Anglin, L.K., Morgan, F.W. & Stoltman J. J. (1999). An investigation of retail shopping situations. *International Journal of Retail & Distribution Management*, 27 (4), 145-153.
- Arnold, S.J., Oum, T.T. & Tigert, D.J. (1983). Determining attributes in retail patronage: Seasonal, temporal, regional, and international comparisons. *Journal of Marketing Research*, 20 (May), 149-157.
- Arpita Khare (2011). Mall shopping behaviour of Indian small town consumers, *Journal of Retailing and Consumer Services*, Vol- 18, PP-110–118.
- Babin, B.J., Darden, W.R. & Griffin, M. (1994). Work and /or fun: Measuring hedonic and utilitarian shopping value, *Journal of Consumer Research*, 20 (March), 644-656.
- Beatty, S.E. & Ferrell, M.E. (1998). Impulse buying: Modeling its precursors. *Journal of Retailing*, 74 (2), 169-191.
- Baker, J., Grewal, D. & Levy, M. (1992). An experimental approach to making retail store environmental decisions. *Journal of Retailing*, 68 (4), 445-460.
- Belk, R.W. (1975). Situational variables and consumer behavior. *Journal of Consumer Research*, 2 (3), 157-164.
- Bellenger, D.N., Robertson, D.H. & Hirschman, E.C. (1978). Impulse buying varies by product. *Journal of Advertising Research*, 18, 15-18.
- Bellizzi, J.A., & Hite, R.E. (1992). Environmental color, consumer feelings, and purchase likelihood. *Psychology & Marketing*, 9 (September/October), 347-63.
- Bolch, P.H., Ridgway, N.M. & Sherrel, D.L. (1989). Extending the concept of shopping: An investigation of browsing activity. *Journal of Academy of Marketing Science*, 17 (Winter), 13-21.
- Bowers, K.S. (1973). Situationism in psychology: an analysis and critique, *Psychology Review*, 80 (September), 307-36.
- Buttle, F. (1988). Merchandising. *European Journal of Marketing*, 18 (5), 4-25.
- Burns, D.J. (1992). Image transference and retail site selection. *International Journal of Retail & Distribution Management*, 29 (September), 38-52.

Wasique.M, “Factors influencing the choice of organized retail outlets of the consumers in Delhi & NCR”

Churchill, G.A. & Peter, J.P. (1998). *Marketing: Creating value for customers*. Boston: Irwin/McGraw-Hill.

Cobb, C.J. & Hoyer, W.D. (1986). Planned versus impulse purchase behavior. *Journal of Retailing*, 62, 384-409.

Colborne, R. (1996). *Visual merchandising: The business of merchandise presentation*. Albany, New York: Delmar.

Crispell, D. (1997). Hispanics at the mall. *American Demographics*, October, p. 35.

Darden, W.R., Erdem,O. & Darden, D.K. (1983). A comparison and test of three casual models of patronage intentions. *Patronage Behavior and Retail Management*, New York, NY: North Holland.

Diamond, J. & Diamond, E. (1996). *Fashion advertising and promotion*. Albany, New York: Delmar.

Donovan, R. J. & Rossiter, J.R. (1982). Store Atmosphere: An Environmental Psychology Approach. *Journal of Retailing*, 58 (Spring), 34-57.

Fernie, S. (1996). The future of factory outlet centers in the UK: the impact of changes in planning policy guidance on the growth of a new retail format. *International Journal of Retail & Distribution Management*, 24 (6), 11-21.

Fernie, J. & Fernie, S.I. (1997). The development of a US retail format in Europe: the case of factory outlet centers. *International Journal of Retail & Distribution Management*, 25 (11), 342-50.

Fisher, J. (1974). Situation-Specific Variables as Determinants of Perceived Environmental Esthetic Quality and Perceived Crowdedness. *Journal of Research in Personality*, 8(August), 177-88.

Frings, G.S., (1999). *Fashion: From concept to customer* (6th ed). Upper Saddle River, New Jersey: Prentice-Hall.

Gardner, M.P. & Rook, D.W. (1988). Effects of impulse purchases on consumers' affective states. *Advances in Consumer Research*, 15, 127-130.

Halpern, D.F. (1989). *Thought and Knowledge: An Introduction to Critical Thinking*, 2nd ed., Erlbaum Publishing, Hillsdale, NJ.

Han, Y.K., Morgan, G.A., Kotsiopoulos, A. & Kang-Park, J. (1991). Impulse buying behavior of apparel purchasers. *Clothing and Textile Research Journal*, 9, 15-21.

Hausman, A. (2000). A multi-method investigation of consumer motivations in impulse buying behavior. *Journal of Consumer Marketing*, 17, 403-019.

Hirschman, E.C. (1980). Innovativeness, novelty seeking, and consumer creativity. *Journal of Consumer Research*, 7 (December), 283-95.

Hoch, S.J. & Bradlow, E.T. (1999). The variety of an assortment. *Marketing Science*, 18 (4), 527-547.

Holbrook, M.B. & Hirschman, E.C. (1982). The experiential aspects of consumption: consumer fantasies, feelings, and fun. *Journal of Consumer Research*, 9 (September), 132-40.

Hoyer, W.D. (1984). An examination of consumer decision making for a common repeat purchase product. *Journal of consumer research*, 11 (December), 822-9.

Jarboe, G.R. & McDaniel, C.D. (1987). A profile of browsers in regional shopping malls. *Journal of the Academy of Marketing Science*, 15 (Spring), 46-53.

Hemraj Verma (2011). Factors Analysing The Store Attributes To Identify Key Components Of Store Image (A Study On Some Selected Apparel Stores In India), *IJMMR*, Volume 2, Issue 1.

K.N.Krishnaswamy, Appa Iyer Sivakumar, M.Mathirajan, *Management Research Methodology-Integration of principles, Methods and Techniques*, Fourth Impression, 2010, PP-284,285.

Mathew Joseph, Manisha Gupta (2008). Impact of organised retailing on the unorganised sector, Indian Council for Research and International Economic Relations- Report.

R.Du Preez and Janetta vander Vyver (2008). The importance of store image dimensions in apparel retail: Customer and management perceptions, Stellenbosch University.

S. Ramesh Kumar, U. Dinesh Kumar et.al, (2011). Exploring Consumer Retail Shopping Experience, an IIMB Management Review, June Issue.

Sherry, J.F. (1990). A sociocultural analysis of a midwestern flea market. *Journal of Consumer Research*, 17 (June), 13-30.

Smith, M.F. & Carsky, M.L. (1996). A comparison of involved and uninvolved consumers. *Journal of Retailing and Consumer Services*, 3 (April), 73-80.

Solnick, J.V., Kannenberg, C.H., Eckerman, D.A. & Waller, M.B. (1980). An experimental analysis of impulsivity and impulse control in humans. *Learning and Motivation*, 11, 61-77.

Stern, H. (1962). The significance of impulse buying today. *Journal of Marketing*, 26 (April), 59-63.

Swapna Pradhan, *Retailing Management, Text & Cases*, Tata McGraw Hill 2009.

Thompson, C.J., Locander, W.B. & Pollio, H.R. (1990). The lived meaning of free choice: an existential-phenomenological description of everyday consumer experiences of contemporary married women, *Journal of Consumer Research*, 17 (3), 346-61.

Troye, S.V. (1985). Situationist theory and consumer behavior. *Research in Consumer Behavior*, 285-321.

Weinberg, P. & Gottwald, W. (1982). Impulsive consumer buying as a result of emotions. *Journal of Business Research*, 10, 43-57.

Wasique.M, “Factors influencing the choice of organized retail outlets of the consumers in Delhi & NCR”

Weun, S., Jones, M.A. & Beatty, S.E. (1998). The development and validation of the impulse buying tendency scale. *Psychological Reports*, 82. 1123-1133.

Williams, J. & Dardis, R. (1972). Shopping behavior for soft goods and marketing strategies. *Journal of Retailing*, 48 (3), 32-41, 126.

Yalch, R.F. & Spangenberg, E. (1990). Effects of Store Music on Shopping Behavior. *Journal of Consumer Marketing*, 7 (Spring), 55-63.

Youn, S. & Faber, R.J. (2000). Impulse buying: Its relation to personality traits and cues. *Advances in Consumer Research*, 27, 179-186.