Chapter-VII

Findings and Recommendations

7.1 Introduction

Due to the aggressive level of competition in the field of Food and Grocery organized retail, it is important to understand consumer perception and preferences related to Food and Grocery shopping relating to different retail formats.

The present research study is focused on the consumer based performance evaluation of organised retail formats dealing in Food and Grocery retail category in Punjab. The study was conducted in two stages. The first stage focused on identification of parameters affecting consumer perception of performance of retail store. The second stage dealt with rating of performance of selected retail formats on the basis of identified parameters by consumer. The preference of consumers with varied demographics for different retail formats was also explored. The study also revealed the major shortcomings or areas of improvement marked by consumer visiting organised retail formats. In addition, the study attempted to explore the future purchase intention of consumers related to such stores.

7.2 Objectives of the Study

The objectives of the study were:

- To identify the key parameters for the performance evaluation of retail stores by consumers.
- To analyze the preferences for various retail formats by consumers from varied demographics.
- To identify the organized retail formats perceived as best on the basis of the identified performance evaluation parameters.
7.3 Hypothesis Formulated

Based on the objectives of the study, two hypotheses were formulated. These hypotheses were:

\( H_01 \): There is no significant difference in respondent’s perception related to performance of three chosen organised retail formats.

\( H_02 \): There is no significant association between store format and demographics of respondents visiting that format.

7.4 Findings

For the first stage of study, the target population was modern retail consumers of Food and Grocery in Punjab. The survey instrument used was structured questionnaire comprising of 30 statements on various consumer preferences related to Food and Grocery shopping on a 5-point Likert scale. A total of 250 respondents were interviewed from five selected cities of Punjab viz. Ludhiana, Amritsar, Patiala, Jalandhar, and Mohali. All the questionnaires were found to be valid and complete because the responses were recorded by the researcher (Data collected over a period of two months from July to August 2009). Factor analysis was used to group the 30 statements into meaningful, manageable factors representing the parameters affecting consumer perception of performance of organized retail formats. The findings of factor analysis are as follows:

7.4.1 Parameters affecting consumer perception of performance of organised retail store

According to the findings of Factor analysis, the most significant parameters for consumer evaluation of performance of retail formats dealing in Food and grocery are:
Availability and variety of products,
Store ambience,
Store service and facilities, and
Value for money at store.

These findings are in consistence with the findings of a number of previous studies appeared in the literature.

Further, the least significant parameters are found to be related to:

- Store recommendation,
- Pride associated with purchase from store,
- Store location,
- Fun associated with purchase from store.

**Significant Factors**

The parameter which explains maximum variability of 11.873 percent in the original data with Eigen value of 5.404 is labeled as ‘availability and variety of products’ at store.
The parameter which explains maximum variability of 11.873 percent in the original data with Eigen value of 5.404 is labeled as ‘availability and variety of products’ at store. This is considered as the most significant parameter that affects consumer evaluation of performance of retail store according to the results of factor analysis. Four variables has high factor loading on this factor. First one is V1: You prefer to shop at stores where products are never out of stock with highest factor loading of 0.821. This implies that consumers want that enough stock of products should be available. The second highest factor loading under this factor is V6: You would like to shop where many brands are available for every grocery item with a factor loading of 0.647. It means that consumers don’t want to restrict themselves to few brands while shopping for Food and Grocery. The variable with third highest factor loading is V4: You prefer to shop at store where variety of grocery items is available with a factor loading of 0.634. This connotes that consumers require ample range of grocery items to choose from. The fourth highest factor loading of 0.601 is of variable V14: You prefer to shop in stores that keep everything you need under one roof. This implies that consumer wants to visit stores that fulfill all his requirements of Food and Grocery. This finding is consistent with Ghosh's (1990) finding that merchandise is the most important element of the retail marketing mix.
The parameter which explains 10.340 percent of variation with Eigen value of 3.319 is labeled as ‘Store Ambience’. This is considered to be the second most significant parameter which consumer uses to evaluate the performance of retail store for Food and Grocery shopping. This factor has high coefficients on five variables which included variable V23: You prefer to shop in stores which are clean and free from clutter has the highest factor loading of 0.792. It implies that consumer wants a clean and hassle free atmosphere when the consumer enters the store. This finding is consistent with the finding of Bitner (1990) who found that clutter negatively affects the shopping environment and resultant levels of consumer satisfaction and attributions made as regards services. The second highest factor loading under this factor is V27: You prefer to shop in stores with good music and soothing colours on walls with a loading of 0.688. It means that consumer is particular about the aesthetics and atmosphere of store. The third variable is V12: You would like to shop in stores with comfortable air conditioned environment with a factor loading of 0.643. It means that consumer wants to have a comfortable shopping experience. Fourth variable in terms of factor loading is V29: You like to shop in stores where there is sufficient lighting with a factor loading of 0.573. It implies that consumer wants to have clear visibility in all parts of the store. Fifth variable with lowest factor loading (0.498) is V22: You like to shop in stores where displays are attractive. It connotes that consumer likes stores with good aesthetics. This result is consistent with the finding of Mattila and Wirtz, (2001) that music and scent cause the environment to become more positive and exhibit higher levels of approach and impulse buying behavior.
Further, it is also supported by Crowley (1993) finding that color choice of store walls affects the acceptance of a store and the perceptions of its merchandise.

- The next parameter which explains variability of 9.087 percent in the original data with Eigen value of 2.936 is named as ‘**Store service and facilities available**’ in the store. This is considered to be next in significance to consumer perception of performance of retail store. This factor highlights the vitality of a complete shopping experience that consumers perceive. This factor has high coefficients on nine variables. The variable with highest factor loading (0.601) is V15: You avoid shopping in stores with insufficient parking spaces. This implies that consumers want to have convenience in parking. Next variable with factor loading of 0.531 is V18: You prefer to shop in stores which are open till late hours. This means that consumers like to be flexible in their timings of shopping. The third variable with loading of 0.512 is V25: You like to shop in stores where baskets and trolleys are available. This means that consumers want to be comfortable while shopping by using convenient baskets or trolleys for handling material. The fourth variable with factor loading of 0.511 is V8: You prefer shopping at stores where many salespersons are there to help. The next variable is V11: You prefer shopping at stores where salespersons are helpful with factor loading of 0.502. This implies that consumers prefer stores where

<table>
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<tr>
<th>Convenient parking</th>
<th>Products easy to locate</th>
<th>Many salesperson to help</th>
<th>Easy material handling</th>
<th>Home delivery</th>
<th>Flexible opening &amp; closing hours</th>
<th>Enough billing counters</th>
<th>Suitable return of replacement policy</th>
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salespersons are helpful and capable of handle their queries. This result is in line with
Grewal and Sharma (1991) finding that retail salespersons play a critical role in
influencing a consumer’s mood and satisfaction in the retail environment. The sixth
variable with factor loading of 0.494 is V5: You prefer to shop at stores which offer
home delivery of food and grocery items. The next variable with factor loading of
0.489 is V26: You prefer going to stores with many billing counters for faster check
out. The consumers prefer the stores with many billing counters to ensure faster
checkout avoiding congestion. The next variable with factor loading of 0.482 is V21:
You like to shop in stores where products are easy to locate. This connotes that
consumer expects to get whatever he wants without much search. This finding is in
consistent with the finding of Baker et al. (2002) that aspects of store design have a
strong influence on consumer store choice criteria The last variable included in this
factor with factor loading of 0.479 is V17: You prefer shopping at stores which offer
return or replacement policy. This reflects that consumers want hassle free return or
replacement of substandard products. All these findings are in consistence with
research finding of Seiders et al., (2000) that consumer favours stores that save them
time and energy.

Value for Money

- Quality of products
- Best price deals
- Discounts & offers
- Flawless billing transactions

The parameter which explains 8.193 percent of total variation with Eigen value of
2.271 is named as Value of money*. This parameter is particularly significant for a
typical Indian consumer. This factor has high coefficients on five variables. The
variable with highest factor loading is V7: You prefer going to stores which stock
quality food & grocery items with factor loading of 0.728. This shows that consumer
is particular about the freshness of products available. The variable with second highest factor loading is V20: You like to shop in stores where billing system is reliable with factor loading of 0.512. This signified that consumer is precarious about the reliability of billing system of store and wants absolutely flawless transactions. The next variable in factor loading is V24: You like to shop from stores which offer attractive discount offers with factor loading of 0.711. This implies that consumer does look for savings on their total billing at the end of her shopping. The last variable in factor loading is V30: You prefer to visit stores which offer best prices in the town with factor loading of 0.801. This connotes that the consumer wants the best product at least price.

Least Significant Factors

- Store Recommendation
- Store Location
- Pride associated with purchase
- Fun associated with purchase

According to the results of factor analysis, the parameter which is of lesser significance to consumer for Food and Grocery shopping is ‘Store recommendation’. This parameter explains 7.573 percent of total variation in the original data with Eigen value of 1.711. The variables with high factor loading on this factor includes ‘store advertisements’ (V3 with factor loading of 0.617) and ‘store recommendation by friends and relatives’ (V10 with factor loading of 0.794). This connotes that consumer does not necessarily buy Food and Grocery from stores recommended by friends and relatives or advertised in newspapers or television.

Another parameter which explains only 6.660 percent of total variation with Eigen value of 1.512 is labeled as ‘Store location’. The factor analysis results reflect that this parameter is not of much significance to consumer. Two variables has high
loading on this factor. Variable V2: You prefer neighborhood stores for purchasing food and grocery items with factor loading of 0.649 and Variable V13: You prefer to visit a store at a convenient location with factor loading of 0.588. This opposes the common belief that consumer look for proximity while shopping. This finding highlights that it does not matter to the customer whether the store is very near to the place of residence as long as it offers the consumer the value for her money.

- Further, parameter which has been given less weight age by consumer in Food and Grocery shopping is named as ‘Pride associated with Purchase from Store’. This parameter explains only 5.993 percent of total variation with Eigen value of 1.241. The following variables has high loading on this factor: V9: Shopping at modern stores is a matter of pride with factor loading of 0.781 and variable V28: You feel customers of modern stores belong to elite class of society with factor loading of 0.632. This implies that in general, shopping at modern retail store is not a matter of pride for a mainstream consumer.

- Findings of factor analysis indicate that the least significant factor for consumer in shopping of Food and Grocery is named as ‘Fun associated with Purchase from Store’. Only 5.313 percent of total variation is explained by this parameter and Eigen value of 1.116. Two variables with high factor loading on this factor are variable V16 with factor loading of 0.794 and variable V19 with 0.593.

- (It was found that the total variance explained by the eight factors representing parameters affecting consumer perception of performance of organized retail formats is 65.033 percent.

### 7.4.2 Identification of organized retail formats perceived as best on the basis of identified performance evaluation parameters

During stage two of the study, the objective was to rate the performance of selected organised retail formats dealing in Food and Grocery on identified parameters (stage 1) in order to identify the format perceived as best by consumer. The association of demographics of consumer visiting these stores with their preference of retail format was also explored. The
shortcomings or areas of improvement marked by consumer visiting such stores were also highlighted.

The target population for this stage of study was consumers who prefer to shop Food and grocery from specific retail formats viz. Convenience stores, Supermarkets, and Hypermarkets in selected cities of Punjab. Data were collected by conducting exit interviews at 39 Supermarkets, 12 Hypermarkets and 16 Convenience stores in five selected cities of Punjab using structured questionnaire. A total of 670 respondents were interviewed at the 67 selected stores. ANOVA and chi-square tests was used for data analysis. The data collected were analyzed by using the Statistical Package for Social Science (SPSS Version 14). The findings are as follows:

**Demographic profile of respondents**

- It was found that there highest number of respondents i.e. 33.7 percent visiting organized retail stores for shopping of Food and Grocery fall in the middle age group of 26-35 years. Whereas 23.6 percent of respondents visiting these stores belong to the age group of 36-50 years. Further, it is found that only 4.2 percent of respondents visiting these stores belong to higher age category of 51 years and above (Figure 7.1). This implies that respondents in middle age category are more willing to try retail formats other than traditional kirana shops for shopping Food and Grocery items.

**Figure 7.1: Age profile of respondents**

Source: Compiled from Crosstabulation results in Appendix IV
Another finding is that majority of respondents (63.2 percent) fall within the middle income category (more than Rs.10,000 – less than Rs.60,000). While only 18.2 percent fall within lower income category (less than Rs. 10,000) and 18.6 percent in higher income category (more than Rs 60,000). This indicates that middle income class is more inclined towards organized retail formats. This can probably be attributed to their busy work schedules which leave them with only weekends to shop for their Food and Grocery needs. Hence, they like to fulfill these needs by visiting a store that offers one-stop shop.

**Figure 7.2: Income profile of respondents**

![Income profile of respondents](source)

Source: Compiled from Crosstabulation results in Appendix IV

It is also revealed from demographic statistics that majority of respondents to these formats, are postgraduates (36 percent) followed by 33.9 percent of respondents who are graduates. 25.6 percent of respondents are found to be with other qualifications while only 4.5 percent were high school pass outs. This implies that high school pass outs either like to shop for food along with their parents or prefer not to get involved in shopping of Food and Grocery at all. On the other hand, it is highly probable that post graduates would be either married or independent earners, which makes them the most potential prospects of the organized retailers.
The occupation profile of respondents reveals that most of respondents (i.e. 35 percent) are working in Private Service. Whereas, 20 percent of respondents are in public service, 19 percent belong to business families, and 36 percent are in other occupations. These findings are logical because most of the respondents to organized retail outlets are in private jobs and do not have the enough time on their disposal for Food and Grocery shopping from mandis and kirana stores.
• Data on demographics also reveals that 48.5 percent of respondents who visit the organized retail stores are with family size of 3-6 members, followed by respondents with family size of more than 6 members which are 27 percent. 24.5 percent of respondents are with family size of less than 3 members.

Figure 7.5: Family size of respondents

Source: Compiled from Crosstabulation results in Appendix IV

7.4.3 Comparison of performance of retail formats

One-way analysis of variance (ANOVA) was used to test the hypothesis H₀₁. In these tests, the factor scores produced by factor analysis were utilized as the dependent variables. The findings of ANOVA are as follows:

• The results of One-way analysis of variance indicate that respondents’ perception differs significantly for all the eight parameters (identified in stage one) for the three retail formats. Hence the null hypothesis is accepted H₀₁ at 5 % level of significance. This is an important finding that respondents closely compare all these parameters in making a format choice decision.
• It is found that Hypermarkets excelled in consumer rating among the selected retail format on parameters of *availability and variety of products, value for money, store recommendation* and *pride associated with purchase from store*. This implies that consumer perceive that the Supermarkets and Convenience stores need to work in these areas to attract and retain more consumers.

• For ‘*store ambience*’ which is one of the important components of retail mix, the consumers rated Supermarkets as best among the three formats. Also consumer perceive ‘*store service and facilities available*’, at Supermarkets are the best. This implies that Supermarkets are the right destination for consumers who look for a pleasant shopping experience and they are ready to shell extra money for that.

• Convenience stores are rated well only for their ‘*convenient location*’. This connotes that this format is approved only by consumers who consider proximity of store to be most important for Food and Grocery shopping.

• Overall, the results indicate that Hypermarkets are doing well on most parameters that are vital for favourable consumer evaluation.

7.5 Consumer demographics and preference of retail format

To order to test the hypothesis $H_{02}$ and explore the association of demographics of respondents with the retail formats they visited, Chi-square tests were conducted. The findings are as follows:

• It is found that age of respondent is significantly associated with the type of retail format visited by him for Food and Grocery shopping. The results indicate that respondents of young age prefer to visit Convenience stores more than Supermarkets and Hypermarket whereas respondents in middle and old age group prefer vice versa. One possible explanation for this lies in the fact that there is always a concern for quality of products and better hygiene among the higher age groups which are important characteristics of Supermarkets and Hypermarkets. It is further reinforced by the fact that Hypermarkets scored better in parameters that reflect these
characteristics. This finding is consistent with the finding of Lumpkin, Greenberg, and Goldstucker (1985) that elderly customers behave differently from younger ones in terms of the type of store patronized. The younger group is less price-conscious and proximity of residence to store is not an important factor. They consider shopping as a recreational activity and choose a store that is perceived to be high on ‘entertainment’ value.

- It is found that gender of respondent has no association with choice of the format visited by the respondent for Food and Grocery shopping. There is not much difference in proportions of males and females among respondents. This result is contrary to the finding of Sinha, Banerjee and Uniyal (2002) that gender has an impact on store choice. They found that men opted for stores more on the basis of proximity whereas women gave more importance to merchandise.

- Marital status of respondents is found to have significant association with format preference for Food and Grocery shopping. It is revealed that substantial percentage of ‘unmarried respondents’ prefer to visit Convenience store. Supermarkets are found to be the preference of higher percentage of ‘married respondents’. This can be explained by the fact that most unmarried consumers are either independent earners or studying or working away from home or the younger members of large and joint families. Any of these profiles of unmarried consumers does not expect them to be planned in their monthly needs and hence, makes them visit a retail store more frequently as compared to married ones.

- Significant association is found between store format and average monthly household income of respondents visiting respective store format. The results show that respondents with low income prefer to visit Convenience store more than Supermarket and Hypermarket. This can be explained by the fact that consumers with low income levels prefer to shop for Food and Grocery near to their homes and thus economize on fuel consumption. This is especially true for major developing cities of Punjab, wherein the real estate development is happening in the suburban areas around the cities and most Hypermarkets are away from the city centre which adds to the fuel costs for frequent shopping. For middle income respondents, Supermarkets
are found to be the first preference. Further, the most preferred retail format for the high income respondents was found to be Hypermarket. This can be explained by the fact that consumers with high income prefer to shop once or twice in a month for Food and Grocery items and they own four wheelers to drive to the outskirts of the cities where such retail stores are set up. These results are in consistence with the finding of Colla (2004) who found that customers who prefer to visit the modern store formats have higher per capita disposable incomes and belong to dual-income families who consume packaged and frozen foods.

- It is found that education level of respondent has no association with choice of retail format visited by the respondent. This is in contradiction to the results of many studies (Prasad and Reddy, 2007) conducted in developing countries which indicate that the level of education of consumer commands their format choice.

- Occupation of respondent is found to be significantly associated with type of retail format visited. This can be explained by the fact that people in private jobs get time for Food and Grocery shopping once or twice in a month because of their hectic office schedules and demanding work profiles. On the other hand, large business families have domestic help to take care of kitchen and they could manage this from the Convenient Stores or a kirana shop nearby.

- Family size of respondents is found to have significant association with preference of retail format for Food and grocery shopping. The explanation lies in the fact that family size influences the consumption levels of the family. In general, respondents with large family size prefer to shop for the monthly requirement of Food and Grocery from Hypermarkets to avail discount offers. Whereas Convenient Stores are preferred only for small refills. These results are in consistence with the finding of Prasad and Reddy (2007) that family size has an impact on consumption levels and thus format choice of consumers.

7.6 Consumer perception of shortcomings in retail formats

In order to achieve the objective of identifying the key areas / shortcomings to focus on in order to improve the performance of organized retail formats, the respondents were asked to
indicate the extent to which they faced the listed shortcomings or areas of improvement in Part III of structured questionnaire on a 5-point Likert type scale. Analysis of mean score of consumer rating resulted in following significant findings:

- The most apparent shortcoming or area of improvement which the respondents indicated is **Reliability of billing systems** in stores, followed by **Hygiene and sanitation** at stores.

- Shortcomings related to **Billing** like overcharging and multiple billing are most prominently faced by respondents while shopping at organized retail formats. This problem is more apparent in Supermarkets and Hypermarkets than in Convenience stores.

- Data reveals that **Hygiene and sanitation** at these stores is next most obvious shortcoming indicated by respondents doing their Food and Grocery shopping from these stores. Further, it is also found that this shortcoming is faced by respondents to certain extent in Supermarket, whereas the respondents are not sure about the extent of this problem at Convenience stores. As far as hygiene and sanitation at Hypermarkets is concerned, the respondents face this problem to limited extent.

- The next most visible shortcoming indicated by respondents is related to **Merchandise** including availability of stock, variety, package size at these formats. Results show that this problem is more apparent in Convenience stores than in Supermarkets and Hypermarkets.

- Shortcoming related to **Physical arrangement** at stores including racks, sign boards, displays is more prominent at Convenience stores followed by that in Supermarkets as indicated by respondents. However, this shortcoming is not visible at Hypermarkets.

- The respondents express that **Parking space** is next most apparent area of improvement for theses stores. This shortcoming is more visible in Hypermarkets than in Convenience stores and Supermarkets.
• **Quality of products** at these stores is pointed out as a less visible problem. However, the respondents have not ignored this shortcoming completely. This shortcoming is most faced by respondents visiting Convenience stores.

• The shortcoming related to **Services of salespersons** including their behaviour and knowledge is not apparent to respondents shopping Food and Grocery from organized retail formats.

• The least visible shortcoming in organized retail formats, as expressed by respondents is **Ventilation and air cooling** at stores.

### 7.7 Future purchase intention

In order to accomplish the objective of analyzing the future of organized retail formats, the respondents were asked to express their future purchase intention of shopping Food and grocery from the store in Part IV of the structured questionnaire on a 5-point Likert type scale. The findings of the data analysis are:

• Majority of respondents i.e. 82 percent (including always=23 percent, mostly=36 percent, sometimes=29 percent) visiting these formats have expressed their intention of visiting these formats in future. Only 12 percent (including rarely=9 percent, never=3 percent) have indicated a negative intention related to future purchase.

**Figure 7.6: Purchase intention from organised retail formats in future**

![Bar chart showing purchase intention](image)

Source: Compiled from to frequency distribution in Appendix VIII
• In case of **Convenience stores**, highest number of respondents i.e. 34.6 percent express that they will *mostly* purchase from this format in future while 27.4 percent say that they *always* intend to purchase from this format. 24.4 percent express that they *sometimes* intend to purchase from this format. Only 3.3 percent indicate that they will *never* purchase and 10.3 percent will *rarely* shop from such stores.

![Figure 7.7: Purchase intention from Convenience stores in future](image)

Source: Compiled from to frequency distribution in Appendix VIII

• In case of respondents visiting **Supermarkets**, 16.8 percent indicate that they will *always* prefer, 38.8 percent expressed that they will *mostly* prefer, and 33.8 percent say that they will *sometimes* prefer this format for Food and grocery shopping. However only 8.1 percent indicate that they will *rarely* and 2.5 percent state that they will *never* purchase from such stores.
As far as Hypermarkets are concerned, 16.6 percent of respondents announce that they will always visit this format for future purchase. 37 percent say that they will mostly visit, whereas 37.8 percent express that they will sometimes visit this format for Food and Grocery. Only 2.5 percent indicate that they will never purchase and 5.9 percent will rarely shop from such stores.

Source: Compiled from SPSS related to frequency distribution in Appendix VIII
• It can be inferred that highest number of respondents (91.4 percent) have expressed an optimistic future purchase intention from Hypermarkets followed by Supermarkets (89.4 percent) and Convenience stores (86.5 percent). This result is consistent with the finding that Hypermarkets have excelled in consumer rating among the selected retail format on most of the identified parameters including ‘Availability and variety of products’ (mean score = 3.9417), ‘Value for money’ (mean score = 3.9000), ‘Store recommendation’ (mean score = 3.8417), ‘Pride associated with purchase from store’ (mean score = 3.8417), and ‘Fun associated with purchase from store’ (mean score = 3.8083).

7.8 Recommendations

In this study, availability and variety of products, store ambience, store service and facilities, and value for money are found as the key parameters of performance evaluation for Food and Grocery shopping by consumer. However the common situation of organized retailers in Punjab is moderate in most of these aspects. On the basis of these findings, the following recommendations related to retail mix are made:

Merchandise mix strategy

Since, ‘Availability and variety of products’ is the first preference of a consumer visiting organized retail formats, providing a broad assortment of products (breadth of product categories and variety within each category); keeping major nationally visible brands; ensuring product quality in terms of ingredients and packaging; having a section devoted to unique merchandise (such as traditional spices, imported candy etc.) should be an integral part of a retailer’s merchandising mix. This strategy can be summarized as wide and deep assortment.

Keep Private brands

In addition to keeping national brands, the retailer should invest in private labels. Private labels give higher profitability and reduce dependence on manufacturers. Private labels also
assist in shelf-space management. Promoting private labels however is a very long drawn and costly initiative. Retailers should enter only less crowded categories. Retailers should also have a substantial budget for their private labels.

**Store Ambience**

The present research indicates that store ambience is the next attribute preferred by the modern consumer. He feels that shopping in a clean and attractive store makes the shopping experience more pleasant. Hence, the modern retailer must strive to make its store well organized and clutter-free. Such stores are perceived to keep products fresh and hygienic.

**Service Facilities**

As indicated by the findings, ‘Store service and facilities’ is an important consideration in store selection by the modern customer. Retailers must ensure general services including sales assistance, product demonstrations, home delivery, clean drinking water and a wash room, baby sitting, assisted parking and so on as a part of the overall shopping environment.

**Home-Delivery**

As home delivery is an important component of ‘Store services and facilities’, the need for door delivery or home delivery of groceries is going to be indispensable as the retail arena gets more competitive. This increases store accessibility and makes the buying more convenient especially for store avoiders.

**Store Layout**

Good layout is an important consideration for consumer. For groceries the functional grid layout should be followed. To make search easy, complimentary products or products belonging to related categories (such as dairy products, candies, biscuits and cakes etc.) should be kept together and signs and directions should be displayed at appropriate places. This particular factor attains more significance in light of the do-it-yourself (DIY) format of modern stores. The store layout should ensure that customer traffic flow is smooth and the
customer visits all parts of the store at least once. Another important point is that there should be sufficient billing counters so that shoppers do not have to wait for long for clearing their bills.

**Value for money**

The modern consumer wants the best product at the least price. The best strategy is to follow a “discount orientation” or “at-the-market” pricing strategy. This strategy goes well with a low to medium frills store ambience format. This type of pricing is called EDLP (everyday low pricing) which is popular in supermarkets and hypermarkets. The EDL Price is lower than the average prevailing price in the market. The firm can follow a dual strategy of following the market price for slow moving products/convenience products and EDLP for staples and fresh grocery. However, pricing should be reviewed from time to time to ensure stock movements and to maintain profitability. Less surprisingly, the modern Indian consumer is getting more and more sensitive to the reliability of billing system as an important criterion for the evaluation of a store. Retailers must ensure flawless billing systems and convenient billing process.

**Guaranteed Products**

The manufacturers’ warranties/guarantees must be honoured to build trust. Customers should be encouraged to give their feedback on products and about the store.

**Location**

As indicated by consumer rating, location of store should not be a major consideration as long as it is accessible using local transportation facilities. As real estate price at busy commercial areas is unaffordable, stand-alone stores in well-connected areas should be preferred.

**Advertisement**

For Food and Grocery, consumers doesn’t follow advertisements to make a choice, so retailers should not spend much on advertisements in National media and newspaper.
However, local media should be used and importance should be given to in-store advertisements as they will increase impulse purchasing.

**Demographic segmentation strategy**

Findings indicate that the demographic variables of age, monthly household income, and family size are significantly associated to consumer preference of retail store. All these variables should be foundation of segmentation strategy of retailers.

**Areas of improvements**

Reliability of billing systems in stores, and hygiene & sanitation at stores are the foremost shortcomings observed by consumers visiting organized retail store. So, forthcoming retailers must focus on these areas of improvement.

**7.9 Scope of Future Research**

The present study was limited to use of a relatively small sample and the study was restricted to the major cities of Punjab. It is acknowledged that a larger sample size and geographical coverage would ensure a more representative view of population as margins of error would have been reduced. Therefore, future research should examine a wider respondent base across the other cities of India for better generalisations of the findings. Further, a larger sample size would also enable a separate analysis across the different income groups, gender, and age categories.

The present study was limited to Food and Grocery shoppers. This could impact the extent to which the results can be extrapolated to the other retail formats and other product categories. Future research should be focused to other specialized categories of retailers.

This study has not explored the critical factors affecting consumer’s cross-shopping (multiple store patronage) and store-switching behaviour. Though it is a common phenomenon to patronage multiple stores in an evolving retail market. Hence, it may serve as direction for further research in this aspect.
Culture has a strong effect on shopping behaviour of consumers. The present study was focused on consumer in the state of Punjab. A cross-cultural perspective should be employed for the future research for making a comparison in behaviour of consumer different states.
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