EXECUTIVE SUMMARY

The growth in retailing is linked to private consumption in an economy. As the consumption grows, so does the retailing. As per the Images India, Indian retail industry is valued at US $ 518.19 billion in 2012, of which food & grocery (F&G) segment remains the largest and most attractive retail category with US $ 311.27 billion of sales contributing approximately 60% of the total retail turnover in India. Further, the percentage share of organized F&G segment to total F&G retail stands at less than 2 percent, which holds a vast opportunity for retailers to invest in F&G modern retail segment.

The Indian retail landscape is undergoing a rapid change where modern retail formats such as supermarket and hyper market have emerged in the recent past. The consumers’ choice nowadays is not only limited to the products they buy but also the formats from where they buy. For the potential growth of retail industry, it becomes inevitable for retailers to understand the factors that determine the customer’s retail format choice.

The present study contributes to an unblemished understanding about the consumers’ retail format choice behavior in food and grocery market in Punjab, India. The objective of the study is to understand the impact of consumers’ demographics, store attributes and consumers’ psychographic variables on the retail format choice. The data consists of the responses from 825 respondents from five cities of Punjab and its capital i.e. Ludhiana, Jalandhar, Amritsar, Patiala, Mohali and Chandigarh. The different statistical tools used to infer the results are descriptive analysis, t-Test, ANOVA, factor analysis and multiple regression. Lastly, it is concluded that the different retail formats (kiryana store,
convenience store, super market and hyper market) will continue to exist in food &
grocery market in Punjab depending on socio-economic, demographic and life style
factors of the consumers visiting these formats. No retail format, traditional or modern,
will be eliminated by the presence of one or the other. It thus, becomes important for
retailers to segment and target their potential customers to strengthen their presence in the
market place.