



Factors Influencing Customer's Choice of Super Markets and Retail Stores for Shopping in India

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ABSTRACT

This study is based on primary data collected through a structured questionnaire from the targeted shoppers in the Capital Region of Delhi. This exploratory study's primary goal is to look into the variables that affect consumers' decisions to choose a particular brand among the many brands found in Indian supermarkets and large retail establishments. The focus has been on the study of elements that affect consumers' decisions, including store ambience, location, layout, salesperson service, and parking availability. The primary data used in this study was gathered from the targeted consumers in Delhi's national capital region using a standardized survey questionnaire. To evaluate the responses on the five factors taken into consideration for this study, we employed a 5-point Likert scale. The respondents who prefer to access the research framework and hypothesis are shoppers who prefer to visit the stores personally and purchase the products in retail outlets. We used a purposive sampling method for this study. This study demonstrated the significance of specific store environments for influencing customers' brand preferences in retail stores. Consumers favor retail establishments with a pleasant and calming ambience, a well-thought-out layout, cozy parking, excellent customer service, and a handy location. To ensure that their customers have an extremely positive experience, retail merchants and store managers actively prioritize these elements. This study showed how important particular store environments are in shaping consumers' brand preferences in retail establishments.

Keywords: Consumer Brand Preference, Retail Store Environment, Store Ambience, Store Layout, Customer Service, Retail Shopping Behavior, Purchase Decision, Delhi NCR

INTRODUCTION

During the last few years, the modern retail models have gained substantial traction in emerging e-commerce retail business centers like India. These modern retailers are focusing more on innovations in offering unique shopping experiences to their customers, which motivates the other shoppers also to visit their stores. As a result, modern retail establishments like supermarkets, large malls, and hypermarkets are now much more common across our nation. These contemporary retailers are concentrating more on innovations to provide their customers with distinctive shopping experiences, which encourages other customers to visit their establishments. As the young generations of today have more disposable income at their end and due to fast changes in the

modern lifestyle, they prefer a retail store that is unique in appearance with a soothing ambience.

Further, due to the opening of new outlets at different locations with nice ambience, they are reconsidering their choices and preferences for shopping places and stores. Physical facilities, the formatting and design of a store, proximity, internal ambience, and availability of convenient parking facilities all have a significant impact on the selection of markets or stores for shopping.

Customers have opinions about supermarkets, and these opinions assist them in selecting supermarkets for their grocery shopping needs (Alhemoud, 2008).

Supermarket managers are required to research the factors that consumers consider when selecting a

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supermarket for their grocery shopping and “incorporate them into the retail marketing strategy” (Makhitha and Kumalo, 2019).

The emergence of new retail formats could greatly increase the size of the Indian retail industry. Supermarket managers must “incorporate them into the retail marketing strategy” by conducting research on the factors that customers take into account when choosing a supermarket for their grocery shopping (Makhitha and Kumalo, 2019).

The emergence of new retail formats could greatly increase the size of the Indian retail industry. The merchant community and store managers must notice this aspect and understand the wind of change thoroughly to survive in the retail business sector of modern India. The retail stores have changed with the emergence of some new and big players in this business, and the consumers have now many choices of selecting the retail outlets based on their perceived preferences.

The Indian retail sector has undergone significant transformation over the last two decades due to urbanization, rising disposable income, globalization, digitalization, and changing consumer lifestyles.

Organized retail formats such as supermarkets, hypermarkets, and chain retail stores have increasingly attracted Indian consumers who traditionally relied on unorganized kirana stores. Researchers in consumer behavior and retail management have extensively examined the factors influencing customers' selection of supermarkets and retail stores in India.

Consumers are increasingly shifting their focus from local Kirana stores to organized retail outlets, attracted by superior customer service and cleaner environments (Sharma, 2020).

The Covid-19 pandemic in 2019 further accelerated the shift from traditional independent stores to retail malls, even for convenience shopping. The intense competition within organized retailing offers consumers numerous choices regarding where to shop.

Understanding the factors that influence a customer's choice of retail outlet is therefore crucial for retailers aiming to attract and retain customers.

Various studies held in this field have identified some factors influencing customers' choices of retail outlets.

On the other hand, Mortimer and Clarke (C2010) have different opinions about how sex affects the characteristics of supermarkets. A number of individual factors, such as age, sex, education, income source, occupation, and family size, affect consumers' choice of supermarkets for grocery shopping (Prasad and Aryasri, 2009). Gunaseelan and Chitra (2014) state that demographic factors affect “consumers' perceptions of store attributes.” However, Mortimer and Clarke (C2010) disagree about how sex influences supermarket features. Male consumers are more concerned with services, while female consumers are more concerned with price, according to research on retail grocery shopping (Mortimer and Weeks, 2011; Williams, 2002). Numerous studies conducted in this area have found certain factors that affect consumers' decisions about which retail establishments to visit.

Our shopping experiences in Western and European countries have significantly contributed to the growth and development of the organized retail sector in India, which holds tremendous potential for rapid expansion in the future also.

REVIEW OF LITERATURE

The main research findings on consumer preferences, shopping motives, store selection criteria, and behavioral factors influencing supermarket and retail store choice in the Indian context are summarized in this review of the literature.

In an effort to determine the store characteristics that affect a customer's choice of store in Korea, Kim et al. (2001) carried out a significant study in this area.

This review of the literature summarizes the key research findings on consumer preferences, shopping motives, store selection criteria, and behavioral factors influencing supermarket and retail store choice in the Indian context.

There are surprisingly few notable studies in the marketing literature that investigate the factors influencing retail customers' decisions in developing and non-Western nations like India. To determine the store characteristics that affect a customer's choice of store in Korea, Kim et al. (2001) carried out a

significant study in this area. Their research focused on a variety of factors, including store layout, parking facilities, and retail environment.

Another significant contribution was made by Venkateswarulu et al. (2007). Their study highlighted five critical criteria influencing the choice of a store/outlet by the shoppers: (1) Attractiveness and compatibility, (2) amenity and ambience, (3) store environment, (4) personal quality, and (5) parking and sitting options.

A global survey by Nielsen Company on store choice value revealed that consumers prioritize good value for money as the most critical factor in choosing a grocery store. Location remains a key factor but varies by country, generally ranking third or fourth in importance due to convenience and easy parking. The second most important attribute globally is a better selection of high-quality brands and products, as today's consumers seek both value and a wide range of options (Nielsen Company, 2008).

Five features were identified by Bhukya et al. (2016): the store's location, layout, atmosphere, parking capacity, and salespeople's level of service.

Thus, this study's objective has been to identify the variables that affect consumers' decisions to select one retail location or store over another that is offered in the market. Five features were noted by Bhukya et al. (2016): the store's location, layout, atmosphere, parking capacity, and salespeople's level of service. Fracion et al. (2018) claim that the supermarket's physical surroundings can offer patrons an incredible visual experience. Thus, this study's objective has been to identify the variables that affect consumers' decisions to select one retail location or store over another that is offered in the market.

CONCEPTUAL FRAMEWORK OF RESEARCH

After going through a comprehensive literature review available on this topic and keeping an Indian perspective in focus, we have selected five factors for this study as suggested in the study of Bhukya et al. (2016).

These five elements seem to be essential characteristics of contemporary retail establishments that affect

consumers' inclinations to choose one store over another when making plans to shop in India. These five elements seem to be essential characteristics of contemporary retail establishments that affect consumers' inclinations to choose one store over another when making plans to shop in India. Below is an explanation of these:

Store Ambience

The term "store ambience" describes the amenities offered in a store, including its layout, lighting, temperature, cleanliness, music or noise, and scent.

The term "store ambience" describes the amenities offered in a store, including its layout, lighting, temperature, cleanliness, music or noise, and scent. Both directly and indirectly, these have a significant effect on a customer's subconscious. Both directly and indirectly, these have a significant effect on a customer's subconscious.

Numerous studies have found that customers' selection of a store is significantly influenced by its ambience. Bitner (1990 & 1992), Bukhya et al. (2016), Crowley et al. (1996), Blodget (1996), Hebert et al. (2001), Yucetepe et al. (2008), and Scarcelli et al. (2010) have all highlighted the significance of store ambience in customers' selection of an outlet.

Store Location

The convenience of a store's location is a significant factor for customers when making their purchasing decisions, according to research by Chang et al. (2015). In an effort to attract more consumers, many retailers are now setting up extra locations in handy areas. Finding suitable and practical locations for their stores is a challenge, though. (Breheny and others, 1984). Store location has a significant impact on a store's image-building efforts, according to Berry N. (1969), Greenberg et al. (1978), and Mammen et al. (2010).

Store Layout

The layout plan of contemporary retail establishments defines them (OK Kim et al., 2001). 94% of consumers think that store layout is a crucial factor when choosing where to shop, according to a report from the Food Market Institute's (FMI) Annual Survey of Consumer Trends.

Parking Facility

Saraswat et al. (2010) claim that contemporary organized food and grocery retail establishments set themselves apart with practical and material features like parking lots and store locations. Customers' shopping experiences are enhanced by a store's parking and seating options. Retail establishments can gain a competitive advantage by maintaining ample parking space (Venkateswarulu et al., 2007).

Service Quality of Salespersons

According to Gronroos (1984), it has been perceived as a conclusion drawn from an evaluation process wherein clients assess their opportunities with the service they feel they received. According to Reichheld and Sasser (1990) and Darian et al. (2001), retail service quality is a useful indicator of store preference.

RESEARCH OBJECTIVES

1. To understand the ecosystem of supermarkets and retail stores for shopping in India.
2. To ascertain the factors influencing the choice of customers' retail shopping preferences.
3. To examine what influences consumers in India's supermarkets and large retail establishments to select a particular brand.

RESEARCH METHODOLOGY

Customers who visited different kinds of retail establishments were chosen for this study in order to assess the research framework and hypothesis. A standardized questionnaire with a 5-point Likert scale from (1) strongly disagree to (5) strongly agree was used to gather this data. The target audience, who shop at stores and make purchases, made up the sample.

We have selected 62 retail stores for this study, and 615 respondents were approached for filling out the questionnaire, out of which 500 were found to be complete and relevant to this study.

The purpose of the survey was to select eligible participants and document their purchasing behaviors. The survey was carried out from May 25, 2025, to June 28, 2025. The demographic features of the respondents were examined using descriptive statistics. Additionally, we used regression analysis to look into

how five independent variables affected the shopper's choice of outlet.

RESEARCH HYPOTHESIS

We have developed the following 5 hypotheses for this study:

- H_{01} : Store ambience does not exert a statistically significant influence on customers' choices of a store in retail environments.
- H_{02} : The location of a store does not have a substantial influence on customers' choice of a store in the retail sector.
- H_{03} : Store layout has no significant effect on customers' choice of a store in retail stores:
- H_{04} : Parking facilities have no discernible effect on customers' choice of stores in retail stores.
- H_{05} : The level of service provided by salespeople has no substantial impact on the customer's choice of a store in retail stores.

ANALYSIS AND INTERPRETATION

In this study, we have analyzed the data collected and found it complete in all respects for the 500 respondents, which is analyzed in the following demographic table:

Table 1: Demographic Profile of the Respondents

Demographic Characteristics	Category	Frequency	Percentage (%)	Cumulative (%)
Gender	Female	295	59	59
	Male	205	41	100
Age	Up to 25 years	95	19	19
	26 to 30 years	110	22	41
	31 to 40 years	165	33	74
	41 years & above	130	26	100
Education	High School	80	16	16
	Undergraduate	110	22	38
	Graduation	140	28	66
	Post-graduation	170	34	100
Monthly income	Upto ₹15,000	100	20	20
	₹15,001 to ₹30,000	180	36	56
	₹31,001 & above	220	44	100
Shopping per month	At least once	155	31	31
	2 to 4 times	245	49	80
	5 times & above	100	20	100

Source: Author's own construct

Analysis: It can be observed from the above table that 59% of the customers are female respondents; the maximum number of respondents are from the

age group of 31 to 40 years, i.e., 33%; and 60% of the respondents are graduates and postgraduates.

In terms of income, the majority of respondents stated that they make more than Rs. 30,000 per month and they go shopping two to four times a month.

Customers with significant demographic characteristics, such as a high proportion of women, those between the ages of 31 and 40 who shop two to four times a month, and those with higher levels of education and income, are included in this study.

Table 2: Estimated Coefficients from the Multiple Regression Analysis

Category	Standardized Coeff.			t-Value	p-Value
	B	Std. Error	Beta (B)		
Intercept	0.794	0.165	0.748	6.136	0.000***
Store Ambience	0.651	0.117	0.621	5.174	0.000***
Store Location	0.924	0.203	0.902	4.354	0.009***
Store Layout	0.331	0.061	0.324	6.147	0.000***
Parking Facility	0.148	0.007	0.117	5.148	0.000***
Service Quality	0.714	0.154	0.709	6.041	0.000***
Multiple R		0.928*			
R ²		0.889			
Adj. R ²		0.876			
Std. Error		0.746			
p-Value		0.000***			
Durbin-Watson		3.057			

Source: Author's own construct

Analysis: The data analysis provides additional support for the findings of Bhukya et al. (2016). The multiple regression results shown in the above table demonstrate the significant influence of selected criteria on consumers' store preferences. The factors' p-values and t-values show that they have positive and statistically significant correlations with store preference. The results of Bhukya et al. (2016) are further supported by data analysis.

Moreover, a statistically significant relationship has been found between the observed and predicted values of the response variable.

With the variables explaining 89% of the total variance in the category of customers' store preferences, the regression model is statistically significant and has a high degree of explanatory power. The Durbin-Watson (DW) statistic is near 2, suggesting that autocorrelation in this model is not a problem.

Table 3: Multicollinearity Test

Category	Factors	Col-linearity Statistics
Tolerance	VIF	
Store Ambience	0.847	1.429
Store Location	0.904	1.641
Store Layout	0.784	1.047
Parking Facility	0.771	1.001
Service Quality	0.857	1.451

Source: Author's own construct

Analysis: All predictor variables have a tolerance level of greater than 0.7, which means that the other predictor variables explain less than 30% of the variance in any predictor.

The multicollinearity test results for the predictor variables in the regression model are shown in the above table. Tolerance and the Variance Inflation Factor (VIF) are two examples of the collinearity statistics unique to each element. Every predictor variable has a tolerance level greater than 0.7, indicating that less than 30% of the variance in any predictor is explained by the other predictor variables.

This indicates that there is no excessive multicollinearity among the predictor variables. Additionally, every VIF value is less than two, suggesting that multicollinearity has slightly increased the variance of each coefficient.

Findings

Consumers prefer retail establishments with a pleasant and calming ambience, a well-thought-out layout, cozy parking, excellent customer service, and a handy location. To ensure that their customers have an extremely positive experience, retail merchants and store managers actively prioritize these elements.

CONCLUSION AND RECOMMENDATIONS

The method of purposive sampling in data collection has been used for selecting the respondents, which yielded 500 complete and valid responses for this study.

The goal of this study was to investigate what influences Indian consumers' decision to shop in a specific store or outlet. The study focused on the features of a contemporary store and the key elements that affect consumers' decisions, including the store's ambience, location, layout, parking options, and level of service. A standardized questionnaire was used to

gather basic data from customers in 62 different retail locations in Delhi, India's National Capital Region. Their answers were gathered using a five-point Likert scale. 500 complete and valid responses were obtained for this study using the purposive sampling method of data collection.

The results of this study indicate that all five criteria selected have a considerable impact on the customer's preference in a store selection.

In terms of theoretical implications, this study emphasized the importance of understanding how different factors of a store environment influence the approach of modern-day educated, high-income customers' behavior.

Therefore, it is strongly advised that retailers and store managers concentrate on these aspects to enhance the quality and attractiveness of their store and make it the customers' first choice. Consequently, the results of this investigation align with those of the study conducted by Bhukya et al. (2016). In terms of theoretical implications, this study highlighted how crucial it is to comprehend how various aspects of a store environment affect the behavior of contemporary, well-educated, affluent customers.

Practically, it sheds light on the critical and specific areas that retail merchandise and store managers must focus on. These factors attract and enhance the footfalls of the customers to increase their sales.

According to the survey done in this study, the retail merchants and store managers should invest in boosting the ambience of their store, ensuring a convenient location and layout; offering comfortable and hassle-free parking options; and providing high-quality and personalized service to their customers. This allows retail outlets to match modern-day customers' preferences as well as improve their market competitiveness.

Managerial Implications

In actuality, the study emphasizes how crucial a store's atmosphere, location, layout, level of service, and parking facilities are influencing customers' brand preferences at retail establishments. Therefore, the study suggests that to draw in more customers, retail

store managers should concentrate on enhancing these amenities and elements.

Research Limitations

This research has two limitations. First, it has been carried out in the specific areas of the National Capital Region of Delhi, India. Second, we have used the purposive sampling technique for respondents' selection, which can be considered a selection bias.

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