



# CONSUMER EXPECTATIONS AND PREFERENCES ON SUPERMARKETS IN ORGANIZED RETAILING WITH REFERENCE TO CHENNAI CITY

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**Abstract:** India has developed as one of the world's firmest rising large economies and it is projected that the country is expected to become third largest economy in the world by 2025. According to reports, India's retail sector is worth \$836 billion in FY 2022. The most recent report released by Boston Consulting Group (BCG), states that the retail industry is back to form in India and will be worth an astounding US \$2 trillion by the year 2032. With all this statistics and forecasts, we can understand the role and contribution of Retail sector in the development of Indian Economy. The growth of Supermarkets in India, which is a category of organized retailing, was witnessed due to progressing consumer preferences and expectations. In spite of the pandemic hindrances, the organized retail sectors have registered vigorous growth performance. The supermarkets segment, which is one form of organized retailing mainly focus on groceries, household goods, frozen food, fruits and vegetables. With the growing transformation in retailing, Supermarkets plays vital role in India, specifically in big-urban areas which focuses on consumer daily needs. The rise in the service sector of India has witnessed growth in the Supermarket segment. With more progresses and transformations in the field of organized retailing, consumer preferences and expectations also are changing by region. This study emphasis to encounter the factors which enables consumers to choose supermarkets and also to understand the consumer expectations and preferences on supermarkets with reference to Chennai city.

**Key Words:** Organized Retailing, Supermarkets, Consumer Expectations and Preferences.

## 1. INTRODUCTION:

The Indian Supermarkets plays pivotal role satisfying the needs of consumers with groceries, food and household essentials. The consumers always prefer for touch and feel product purchase in spite of online grocery shopping, which was very crucial during the pandemic. The spread of Supermarkets all over the country has made society feel the presence of organized retailing, ensuring easy consumption of various categories of household items. Personalized shopping experience shines as a spotlight to the consumers when it comes to Supermarket experience. It is a challenge to retail segments on maintaining the continuous supply of products. The grocery stores also work on leveraging the consumer insights on brands and variety of products. Supermarkets as a part of grocery retailing, plays a critical role in consumer purchasing behaviour. They also influence the food producers and manufacturing companies in order to make their products reach the market effectively. The organized retail sector has a great impact every year due to consumer lifestyles, e-commerce options, sustainability and experience economy. Consumer expectations and preferences may always transform from time to time as they enjoy the convenience of digital technology and additional perks offered by supermarkets. The impact is also due to expectations on personalized experience, health and environmental consciousness, easy accessibility, brand influences and quality of products.



## **2. REVIEW OF LITERATURE :**

Deepa Kapoor, (2020) The change in consumer buying behaviour due to the COVID 19 pandemic. The study highlighted that there was a shift in consumer purchasing patterns due to restrictions on movement of individuals in public. The major reasons to buy online groceries were convenience, automation and time saving aspects.

Saxena, (2018) focused on Customer satisfaction towards Big Bazaar in Coimbatore. The study showcased the factors of consumer preferences, satisfaction and buying behaviour on organized retailing specific to Supermarket. The author carried the research with prime focus on Big bazaar covering opportunities and challenges with respect to internal and external factors of environment. It was concluded that customers prefer supermarkets based on proximity from their residences, availability of more brands and best price ranges.

Manoj Verma, (2015) the transition of people preferences from kirana stores to supermarkets due to increase in income and preferences of consumers. It was found that the consumers perceived more satisfaction from organized retail store than conventional stores due to the price factors and availability of shopping benefits. The customers inferred higher value for money in grocery shopping from supermarkets. The variety, self service, offers and discounts are the satisfaction factors which influenced the consumers in large scale.

Dr.D.S Chaubey and Sandeep Kumar, (2012) emphasized on consumer preferences on platforms for shopping with specific retailers. It was found that safety; security and hygiene factors were preferred by consumers. The study also highlighted that the consumers preferred for channels of retailing based on product availability, security and low crowd factors.

Dr. Seema, S. Shenoy, Dr. Sequeira, A. H. and Dr. , March (2013) the Global retailers have lot of business opportunities in India. The study focused on identifying the contributions of Indian retailing, where the major findings show the growth of organized retailing in rapid pace. Retailers have showcased more transformation in the selling activities with sophisticated facets to meet consumer preferences.

## **3. RESEARCH DESIGN :**

The major goal of this study is to encounter the factors which enable consumers to choose supermarkets and also to understand the consumer expectations and preferences on supermarkets with reference to Chennai city.

### **3.1 SCOPE OF THE STUDY**

This study was carried on in selected areas of Chennai City among users of supermarkets of different age groups with a sample size of 124 respondents. Majority of respondent consumers have covered few major supermarkets in city. Supermarkets are always preferred by consumer in spite of presence of local traditional stores as well as availability of various online purchase options. Even in tough and challenging times of society, supermarkets showed their presence ensuring good quality and variety of products to consumers.

### **3.2 OBJECTIVES OF THE STUDY :**

To define the consumer expectations and consumer preferences in Supermarkets and to analyse the factors that drive the customers to choose Supermarkets.

### **3.3 HYPOTHESIS:**

**H<sub>01</sub>:** There is no significance in consumer expectations on supermarkets and their choice of supermarkets.

**H<sub>02</sub>:** There is no significance on Consumer preferences on supermarkets and the attributes of Supermarkets.

### **3.4 RESEARCH METHODOLOGY:**

This research aims to identify the consumer expectations and preferences of Supermarkets in organized retailing in Chennai city. The sample size is 124 respondents who were retail customers of Supermarkets from Chennai. The study



was carried under Non- Probability Judgment Sampling method. Pre testing of Questionnaire was done before the survey with 20 respondents. The **Cronbach's alpha** reliability test was applied using SPSS in order to determine the reliability of the scales in the questionnaire. The value was indicated as 0.631 which proved acceptable consistency of the scales of the questionnaire.

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.630	.631	22

A thirteen-question questionnaire was devised to measure the consumer expectations on supermarkets in organized retailing. Each question was a 5-point Likert item from "strongly disagree" to "strongly agree". From the test, it was inferred that Cronbach's alpha is **0.631**, which indicates acceptable level of internal consistency for the scale with the specific sample.

#### 4. LIMITATIONS :

The data collection was restricted to a particular geographical segment in Chennai. Data collected among different zones will end up with different consumer preferences. The response was given by the respondents based on their buying experiences and expectations on particular supermarket outlets thus making the research restricted to few supermarkets. However, the qualitative research methods may bring different results.

#### 5. ANALYSIS AND DISCUSSION

The Survey was conducted through online method. Google forms were circulated for the purpose of collecting data for the research. A structured questionnaire along with Likert's scale was implemented for the purpose of the study. The collected data were coded in an IBM SPSS Statistics 25.0 version spreadsheet to perform simple statistical analysis such as chi-square test, Analysis of Variance and descriptive statistics.

**TABLE 5.1 : GENERAL PROFILE OF RESPONDENTS**

DEMOGRAPHIC FACTORS	RESPONDENTS CHARACTERISTICS	RESPONDENTS ( IN NUMBER)	RESPONDENTS (IN PERCENTAGE)
GENDER	MALE	59	48
	FEMALE	65	52
AGE	LESS THAN 20 YRS	26	21
	21- 30 YRS	42	34
	31-40 YRS	37	30
	GREATER THAN 40 YRS	19	15
MONTHLY INCOME	LESS THAN Rs. 20,000	14	11
	Rs. 21,000-Rs. 40,000	39	32
	Rs. 41,000- Rs.50,000	32	26
	ABOVE Rs. 50,000	39	31
MARITAL STATUS	SINGLE	51	41
	MARRIED	73	59
OCCUPATION	SALARIED	67	54
	SELF-EMPLOYED	45	36
	UNEMPLOYED	12	10

Source: Primary Data



**INTERPRETATION:** From the above table, it is found that out of 124 respondents, 48% are male and 52% are female. The monthly income is categorized with 11% of respondents earning less than Rs.20,000, 31% of them earning between Rs.21,000 and Rs.40,000, 26% of respondents earn between Rs, 41,000 and Rs.50,000 and finally 30% of respondents earn more than Rs.50,000. The marital status of respondents is indicated that 41% of respondents are unmarried, while 59% are married. The Occupation category offers , 54% in salaried group, 36% in self-employed and 10% of them are unemployed. The age group can be classified as 21% with less than 20 years followed by 34% of respondents between 21 to 30 years, 30% of respondents between age group of 31 to 40 years and 15% respondents with more than 40 years.

**TABLE 5.2 : CONSUMER PREFERENCES TO OPT FOR SUPERMARKETS**

PARAMETERS ON PREFERENCE OF SUPERMARKETS	N	Mean Values
PREFERENCE OF SUPERMARKET THAN ORDINARY GROCERY STORES	124	3.43
EASY ACCESS TO SUPERMARKETS	124	4.10
ENSURED DOOR DELIVERY	124	3.35
VARIETY OF PRODUCTS	124	3.98
EASY SHOPPING OPTIONS	124	4.25
PERSONAL ATTENTION	124	3.43
PHYSICAL ARRANGEMENT OF PRODUCTS	124	4.29
EASY EXCHANGE POLICY	124	3.36
BILLING OPTIONS	124	3.90
FRIENDLY EMPLOYEES	124	3.69
QUALITY OF PRODUCTS	124	3.96
LOCATION OF SUPERMARKETS	124	4.23
AVAILABILITY OF BETTER OFFERS	124	3.96

Source: Primary Data

**INTERPRETATION:** The mean analysis indicates that in this study, various factors like preferences of supermarkets, access to supermarkets, exchange policies of stores, updated billing options, Physical arrangements and layout of goods, the quality and variety of product ranges and location of the supermarkets were considered to recognize the factors which influence consumers to prefer for supermarkets purchasing. Significantly the factors were averaged to find out it's impact on grocery purchases. Among all the parameters, Physical arrangement of products in supermarkets had the highest impact on 4.29 Mean which shows the position of consumer's expectations and preference in supermarket purchasing over traditional grocery stores ensuring effective purchasing.

**TABLE 5.3: RELATIONSHIP BETWEEN CONSUMERS EXPECTATIONS ON SUPERMARKETS AND CHOICE OF SUPERMARKETS**

CONSUMERS EXPECTATIONS ON SUPERMARKETS AND CHOICE OF SUPERMARKETS						
CONSUMER EXPECTATIONS	CHOICE OF SUPERMARKETS					Total
	Nilgiri's	Grace Super Market	Reliance Fresh	Spencer's Daily	Others	
Convenience of Shopping	10	12	2	5	0	29
Packing	3	15	15	4	5	42



Quality Of Products	1	8	8	4	1	22
Billing & Payments Options	5	8	5	0	2	20
Variety Of Products	0	4	5	2	0	11
Total	19	47	35	15	8	124

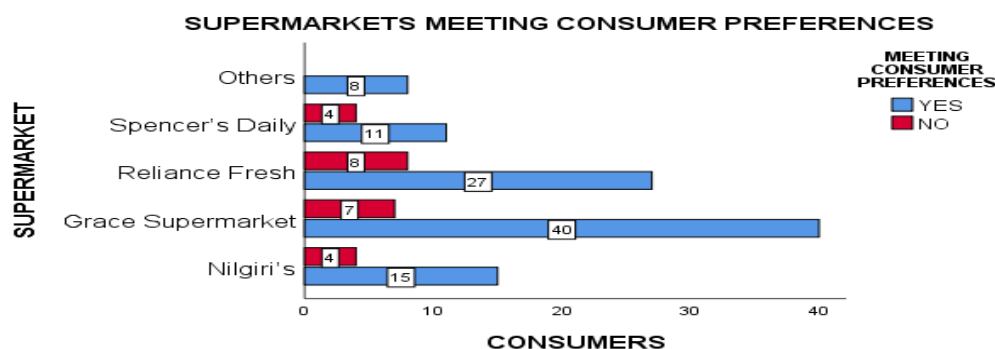
Source: Primary Data

**CHI-SQUARE TEST:**

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	30.127 <sup>a</sup>	16	.017
Likelihood Ratio	37.022	16	.002
Linear-by-Linear Association	1.691	1	.193
N of Valid Cases	124		

**NULL HYPOTHESIS 1:** There is no significance in consumer expectations on supermarkets and their choice of supermarkets.

**INTERPRETATION:** The Chi-square Tests is conducted to test the relationship between Consumer’s expectations on supermarkets and choice of supermarkets. The Pearson’s Chi-square value is 30.1237 and significant value stands at 0.017 which is less than 0.05. Thus we can infer that there is significant relationship between Consumer’s expectations on supermarkets and choice of Supermarkets.



Source: Primary Data

**TABLE 5.4: ANOVA RESULTS FOR CONSUMER PREFERENCES TOWARDS SUPERMARKET ATTRIBUTES**

Supermarket Attributes	F	Significance	Null Hypothesis
PREFERENCE OF SUPERMARKET THAN ORDINARYGROCERY STORES	6.181	.000*	Rejected
EASY ACCESS	7.959	.000*	Rejected
DOOR DELIVERY	4.826	.001	Rejected
VARIETY OF PRODUCTS	6.798	.000*	Rejected
EASY SHOPPING	19.939	.000*	Rejected



PERSONAL ATTENTION	8.741	.000*	Rejected
EXCHANGE POLICY	5.751	.000*	Rejected
BILLING OPTIONS	2.867	.026	Rejected
FRIENDLY EMPLOYEES	3.498	.010	Rejected
QUALITY OF PRODUCTS	4.526	.002	Rejected
*Significant at $p < 0.05$ Minimum value (1) = not important at all; Maximum value (5) = extremely important			

Source: Primary Data

**NULL HYPOTHESIS 2:** There is no significance on Consumer preferences on supermarkets and the attributes of Supermarkets.

**INTERPRETATION:** The one-way analysis of variance (ANOVA) was run to determine the relationship between Consumer preferences on supermarkets and the attributes of Supermarkets. As per the Tests, there is relationship between Consumer preferences towards Supermarket attributes. It is interpreted from the above table that the Null hypothesis is rejected at .05 level of significance. Thus, it can be stated that there is influence on the attributes of supermarkets like accessibility, door delivery, easy shopping options, variety of products, personal attention, exchange policy, billing options, friendly employees and Quality of products. The results of this study provided an insight on understanding the consumer preference patterns towards supermarket shopping.

## 6. FINDINGS :

The study helped to analyse the functions played by supermarkets in daily life of consumers, their preferences and expectations on grocery shopping along with few major aspects which makes supermarket purchasing as routine part of their life. The consumer expectations and preferences are vital and are supplementary to each other. Though there was a shift in consumer buying behaviour in the recent past due to the pandemic, the consumer insights on supermarkets are never faded. The study found that there is significant relationship between Consumer's expectations on supermarkets and choice of Supermarkets. The study also proves that Physical arrangement of products in supermarkets had the highest impact to choose supermarkets which shows consumer's expectations and preference in supermarket purchasing over ordinary grocery stores ensuring effective purchasing. Thus, an basic understanding of consumer requirements on the supermarket sector can contribute to more business opportunities and rapid growth in the number of outlets. Especially during the pandemic, many supermarkets worked extensively considering the safety of the consumers at the same time serving their needs by taking into account the restrictions and norms which were prescribed the Government. And again, getting back to normality, the supermarkets are equipped with more customer friendly options for safe and satisfied transactions on the stores.

## 7. CONCLUSION :

Supermarkets play an important role in understanding and implementing shopping factors which influences consumer buying behaviours. The grocery sale is a huge market in India which saw a great transformation from conventional methods to modern methods of sales. The major reason behind such transformation is due to the changes in consumer buying powers, choice and preference of brands, convenience factors, quality of products, reasonable price ranges, etc., Various surveys proves that the Indian Grocery Market accounts to major contribution in the Indian Retail Market, which illustrates the availability of plenty opportunities to substantial retailers. In spite of the change in consumer buying patterns led by the pandemic, Supermarkets shows its presence through implementation of systems and regulations which make the consumer feel safe and secure in their transactions of grocery purchase.

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