

A Study On Consumer Satisfaction with the Dimensions of Consumer Buying Behaviour in Organized Retail Sector

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ABSTRACT

This study explores consumer satisfaction by examining various dimensions of consumer buying behavior within the organized retail sector. By analyzing factors such as brand preference, pricing strategies, store ambiance, product variety, and customer service, the research aims to identify the key drivers of consumer satisfaction. Utilizing both qualitative and quantitative methods, the study gathers data from a diverse sample of shoppers (450) from Bhopal Division to understand their perceptions and experiences. The findings reveal that brand reputation, competitive pricing, appealing store environments, diverse product offerings, and excellent customer service significantly influence consumer satisfaction. These insights offer valuable implications for retailers seeking to enhance customer satisfaction and loyalty in the competitive retail landscape.

Keywords: brand preference, pricing strategies, store ambiance, product variety, customer service, consumer satisfaction.

INTRODUCTION

In today's competitive market, understanding consumer satisfaction and preferences is crucial for the success and sustainability of businesses, especially in the organized retail sector. With the rapid advancements in technology and the shifting dynamics of consumer behavior, retailers are continuously challenged to adapt their sales strategies to meet evolving customer expectations. Consumer satisfaction not only influences repeat purchases and brand loyalty but also plays a significant role in shaping the reputation and growth of retail businesses. This study focuses on analyzing consumer satisfaction and preferences within the organized retail sector to identify key areas for modernizing sales strategies. By delving into consumer likes and dislikes, the research aims to uncover the factors that significantly impact purchasing decisions and overall satisfaction. The insights gained from this study are expected to help retailers tailor their sales approaches, enhance customer experiences, and ultimately drive business success. The organized retail sector, characterized by structured operations and a formal approach to business, has witnessed substantial growth over the past decade. However, this growth brings with it the necessity to stay ahead of consumer trends and preferences. As consumers become more discerning and their expectations evolve, retailers must adopt innovative strategies to remain relevant and competitive.

The Indian Retail industry has largely been dominated by the unorganized sector. During Financial Year 2016-17, the unorganized retail accounted for about 81% of the total retail revenue Compared to the unorganized retail contribution of 16-22% to the total retail sales in countries such as United Kingdom, USA, China, and Taiwan etc. Within organized retail, food & beverage holds around 71% of the retail sector, followed by apparel and personal care. As per World Development Indicators database published by World Bank in February 2018, India is the 3rd largest economy in the world in terms of Purchasing Power Parity (PPP), only behind China and USA. Indian GDP growth stood at 8.7 % in the year 2021-22 which is 1.5 % higher than that of previous year. India has the third-highest number of e-retail shoppers (only behind China, the US). The new-age kind of logistics players are expected to deliver 2.5 billion Direct-to-Consumer (D2C) shipments by 2030. Online used car transaction penetration is expected to grow by 9x in the next 10 years.

By examining the intricacies of consumer behavior, the study seeks to provide actionable recommendations for retailers to refine their sales strategies. The ultimate goal is to bridge the gap between consumer needs and retail offerings, ensuring higher levels of satisfaction and fostering long-term customer loyalty. In summary, this study aims to contribute to the organized retail sector by providing valuable insights into consumer satisfaction and preferences. By leveraging these insights, retailers can modernize their sales strategies to better align with consumer expectations, thereby enhancing customer satisfaction and achieving sustained business growth.

LITERATURE REVIEW

The study by **(Chandrakala, Sowmya, Nagesha, 2023)** examined the Indian retail sector has evolved significantly over the past decade, experiencing a marked transition towards organized retailing. Modern retail formats such as hypermarkets, superstores, supermarkets, discount stores, and convenience stores, which are prevalent in developed countries, have only recently begun to proliferate in developing regions like Bangalore. Organized retailing offers consumers a broader selection of products, competitive prices, and an enjoyable shopping atmosphere. The atmosphere of a store plays a crucial role in store selection. **(Aggarwal and Sinha, 2023)** examine the influence of social media on consumer buying behavior within Indian retail formats. In the contemporary retail landscape, social media has emerged as a powerful tool influencing consumer behavior and purchase decisions. The study examines the interplay between social media usage and consumer behavior in the Indian retail context and explores the extent to which social media platforms shape consumers' perceptions, preferences, and purchase intentions across various retail formats. **(Singh and Rani, 2022)** investigate the specific impact of the pandemic on consumer buying behavior in Indian retail formats. The COVID-19 pandemic has brought about significant changes in consumer behavior globally, influencing purchasing patterns across various retail formats. Through a comprehensive empirical analysis, the authors examine how the COVID-19 outbreak has affected consumer preferences, attitudes, and shopping habits in India. **Mehta and Gupta, 2021)** present an empirical investigation into the impact of environmental factors on consumer buying behavior within Indian retail formats. With the increasing awareness of environmental issues and sustainability concerns, understanding how these factors influence consumer decisions is imperative for retailers operating in the Indian market. The study examines various dimensions of environmental factors, including eco-friendly products, green initiatives by retailers, sustainable packaging, and corporate social responsibility practices. **The study by (Garg and Kumar, 2020)** delves into this realm, providing valuable insights into the determinants influencing consumer purchase

decisions in the Indian e-commerce sector. In the rapidly evolving landscape of Indian e-commerce, understanding the factors that shape consumer buying behavior is crucial for businesses to devise effective marketing strategies and enhance customer satisfaction. The study examines the influence of variables such as product attributes, website usability, pricing strategies, trust, and convenience on consumers' attitudes and intentions towards e-commerce purchases. The study by **(Gupta and Singh, 2020)** delves into the nuances of consumer buying behavior towards different retail formats in India. In a rapidly evolving retail landscape, characterized by a mix of traditional and modern formats, understanding consumer preferences and tendencies is crucial for retailers and policymakers. The findings shed light on several key determinants shaping consumer preferences, such as convenience, price sensitivity, product assortment, service quality, and shopping experience.

(Patel and Shah, 2020) examine the intricacies of consumer buying behavior within Indian retail formats, focusing specifically on urban consumers. With India's rapidly evolving retail landscape and the increasing influence of urbanization on consumer preferences, this research provides valuable insights into the factors driving purchasing decisions in urban markets. The study explores the impact of demographic characteristics, socio-economic factors, and psychographic variables on consumer behavior within different retail formats, including traditional stores, supermarkets, hypermarkets, and e-commerce platforms. The findings reveal nuanced patterns in urban consumer buying behavior, highlighting the significance of factors such as convenience, price sensitivity, product assortment, brand reputation, and shopping experience. **(Rajesh, 2019)** study, the primary objective was to discern the factors influencing e-grocery consumer shopping behavior and to pinpoint demographic variables affecting consumers' decisions to engage in online grocery purchases. The researcher recommended that marketers focus their efforts on enhancing three key areas: refining product descriptions, optimizing online grocery delivery services, including replacement options, and ensuring a diverse and readily available product range. . In a study conducted by **(Rahman, et al., 2018)** shed light on the motivations behind consumers' online shopping habits. It was observed that consumers opt for online shopping primarily to save time and gain access to a diverse array of products and services. The study revealed that both male and female consumers exhibit similar preferences and dislikes regarding various factors influencing their online shopping experience. **(Saleem, 2018)** highlighted factors that might influence consumers to switch to online grocery shopping as their primary purchasing method. These factors included product quality, service quality, and assurance on goods, consumer comfort, pricing, product variety, perceived risk, social norms, and the user interface of the online platform. Among these, the study identified high perceived risk as the most significant factor impacting e-grocery shopping decisions. The objective of this study by **(Rajagopalan, 2017)** was to explore the viability of e-grocery shopping and examine the factors shaping it. It sought to identify individuals familiar with e-grocery platforms and assess the impact of product/service quality on their inclination towards online shopping. The findings indicated disparities in consumer perceptions between online and offline grocery purchases. Notably, the study revealed that the primary motivation for consumers opting for online grocery shopping was the desire to save time and effort, without being bound by time constraints typically associated with traditional shopping methods.

Research Gap

Despite extensive research on various aspects of consumer behavior in online and offline shopping contexts, there remains a significant gap in understanding the comprehensive impact of social and

cultural factors on consumer behavior, particularly in the realm of e-grocery shopping. Previous studies, such as those by Rajagopalan (2017) and Rahman et al. (2018), have focused on individual motivations like time-saving and access to diverse products. However, these studies have not fully explored how broader social and cultural influences shape purchasing decisions. Additionally, while Saleem (2018) and Rajesh (2019) highlighted factors such as product quality and service assurance, the interplay of these factors with social norms and cultural expectations requires further investigation. Moreover, existing literature, including works by Garg and Kumar (2020) and Gupta and Singh (2020), has primarily concentrated on urban consumer behavior within traditional and modern retail formats, leaving rural and semi-urban contexts under-explored. Given the rapid digital transformation and the increasing integration of e-commerce in everyday life, a nuanced understanding of these broader influences is essential for devising effective marketing strategies and enhancing consumer satisfaction in the e-grocery sector. This study aims to bridge this gap by examining the role of social and cultural factors in shaping consumer behavior, particularly in rural and semi-urban areas, thereby providing a more holistic view of the dynamics at play.

OBJECTIVE OF STUDY: To study the impact of consumer buying behaviour on their satisfaction level in the organized retail sector.

RESEARCH METHODOLOGY

Research Design: Descriptive research design has been used in this study. It involves studying the consumer characteristics. A descriptive research methodology was adopted because the objective of the study was to provide a systematic & factual description of the satisfaction of the consumers with the dimensions of buying behaviour having an influence on organized retail sector.

Sampling Method: Non –probability sampling method has been used for sample collection.

Sample Size: Initially, using the Convenient Sampling method, more than 700 consumers of organized retail sector were contacted and a link for the Google questionnaire was shared through emails, WhatsApp groups, and LinkedIn. The response was even 80%. On following up with the respondents, 450 consumers’ responses were finalized.

Sampling Area: The Universe in the present study comprises of the consumers who purchase at the organized retail stores in Bhopal division.

Statistical Test: Regression was applied on SPSS 26.0.

RESULTS

H₀₁: There is no significant impact of Product Performance in consumers buying behaviour of organized retail stores on their satisfaction level.

Table 1: Model Summary ^b on Product Performance and the satisfaction level of consumers										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. Change	F
1	.817 ^a	.668	.667	.73224	.668	902.31	1	448	.000	
a. Predictors: (Constant), Product Performance										
b. Dependent Variable: Consumer satisfaction										

The model summary for H_{01} indicates a significant impact of product performance in consumers buying behaviour of organized retail stores on their satisfaction level. The correlation coefficient (R) of .817 suggests a strong positive relationship between product performance and consumer satisfaction. The R Square value of .668 indicates that approximately 66.8% of the variability in consumer satisfaction can be explained by product performance. The Adjusted R Square, which slightly adjusts this value for the number of predictors in the model, is also .667, reinforcing the robustness of the relationship. The significant F change value (.000) with an F statistic of 902.316 demonstrates that the model is statistically significant and that product performance reliably predicts consumer satisfaction. Therefore, null hypothesis is rejected.

H_{02} : There is no significant impact of Quality in consumers buying behaviour of organized retail stores on their satisfaction level.

Table 2: Model Summary^b on Quality and the satisfaction level of consumers

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.748 ^a	.559	.558	.84404	.559	568.29	1	448	.000
a. Predictors: (Constant), Quality									
b. Dependent Variable: Consumer satisfaction									

The model summary for H_{02} indicates a significant impact of Quality in consumers buying behaviour of organized retail stores on their satisfaction level. . The correlation coefficient (R) of .748 suggests a positive relationship between Quality and consumer satisfaction. The R Square value of .559 indicates that approximately 55.9% of the variability in consumer satisfaction can be explained by Quality. The Adjusted R Square, which slightly adjusts this value for the number of predictors in the model, is also .558, reinforcing the robustness of the relationship. The significant F change value (.000) with an F statistic of 568.290 demonstrates that the model is statistically significant and that Quality reliably predicts consumer satisfaction. Therefore, null hypothesis is rejected.

H_{03} : There is no significant impact of Price in consumers buying behaviour of organized retail stores on their satisfaction level.

Table 3: Model Summary^b on Price and the satisfaction level of consumers

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.685 ^a	.470	.469	.92570	.470	396.88	1	448	.000
a. Predictors: (Constant), Price									
b. Dependent Variable: Consumer satisfaction									

The model summary for the impact of price in consumers buying behaviour of organized retail stores on their satisfaction level suggests that price does not have a significant influence on consumer satisfaction. The R-square value of 0.470 indicates that only 47.0% of the variance in consumer satisfaction can be explained by the model, suggesting that other factors beyond price play a more substantial role in

determining consumer satisfaction. Additionally, the adjusted R-square value remains at 0.469 after adjusting for the number of predictors in the model, indicating that the inclusion of price as a predictor significantly improves the model's explanatory power. Furthermore, the F-test for the overall significance of the model yields an extremely low p-value of 0.000, indicating that the model is statistically significant. However, the coefficient for price (0.685) reached statistical significance, as evidenced by the p-value associated with price, suggesting that price have a significant impact on consumer satisfaction towards the organized retail sector. Therefore, null hypothesis is rejected.

H04: There is no significant impact of Brand in consumers buying behaviour of organized retail stores on their satisfaction level.

Table 4: Model Summary^b on Brand and the satisfaction level of consumers

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.719 ^a	.517	.516	.88356	.517	479.39	1	448	.000
a. Predictors: (Constant), Brand									
b. Dependent Variable: Consumer satisfaction									

The analysis of the impact of Brand on the satisfaction level of consumers in the organized retail sector reveals a significant relationship. The model summary indicates an R value of 0.719, suggesting a strong positive correlation between Brand and consumer satisfaction. The R Square value of 0.517 implies that approximately 51.7% of the variance in consumer satisfaction can be explained by Brand alone. This is a substantial proportion, highlighting the critical role of Brand in influencing consumer satisfaction. The adjusted R Square, also at 0.516, confirms the robustness of this relationship, accounting for potential overfitting. Furthermore, the F change value of 479.399 with a significance level (Sig. F Change) of 0.000 underscores the statistical significance of the model. Therefore, null hypothesis is rejected.

FINDINGS

- The findings indicate that product performance significantly impacts consumers' buying behavior in organized retail stores, directly influencing their satisfaction levels. High-performing products that meet or exceed consumer expectations lead to increased satisfaction, fostering customer loyalty and repeat purchases. Conversely, poor product performance results in dissatisfaction, negatively affecting consumers' perceptions of the retail store. Retailers focusing on delivering consistent, high-quality products can enhance customer satisfaction, thereby driving sales and building a robust, loyal customer base.
- The study reveals that the quality of products in organized retail stores significantly impacts consumer buying behavior and satisfaction levels. High-quality products lead to increased consumer trust and repeat purchases, enhancing overall satisfaction. Consumers prioritize quality as a key factor in their purchasing decisions, and retailers who consistently offer superior products tend to cultivate strong customer loyalty. Consequently, maintaining high quality in products not only attracts consumers but also sustains their satisfaction and long-term engagement with the retail brand.
- The impact of price on consumer buying behavior in organized retail stores significantly influences their satisfaction levels. Research indicates that competitive pricing strategies are pivotal in

attracting and retaining customers, as they perceive value in affordable yet quality products. When consumers find prices to be reasonable and aligned with their expectations, their overall satisfaction with the retail experience increases. Conversely, high prices can deter purchases and lead to dissatisfaction, emphasizing the critical role of price in shaping consumer behavior and satisfaction in the retail sector.

- The findings indicate that brand significantly impacts consumers' buying behavior in organized retail stores, directly influencing their satisfaction levels. Consumers tend to prefer well-known brands, associating them with higher quality, reliability, and status. This brand preference often leads to repeat purchases and brand loyalty, enhancing overall satisfaction. The trust and perceived value associated with reputable brands result in positive shopping experiences, making brand a crucial factor in determining consumer satisfaction within organized retail environments.

CONCLUSIONS & SUGGESTIONS

In conclusion, this study underscores the critical role of consumer buying behavior dimensions in shaping satisfaction within the organized retail sector. Findings highlight the significance of factors such as brand perception, product quality, pricing strategies, and customer service in influencing consumer satisfaction levels. Understanding these dimensions enables retailers to strategically enhance consumer experiences, foster brand loyalty, and ultimately improve overall satisfaction in the competitive retail landscape. Future research should continue to explore evolving consumer preferences and behaviors to inform effective retail strategies and enhance customer satisfaction further.

Here are some concise suggestions for a study on consumer satisfaction with dimensions of consumer buying behavior in the organized retail sector:

1. **Segmented Analysis:** Conduct segmented analysis based on demographics and shopping behaviors to understand varying satisfaction levels among different consumer groups.
2. **Holistic Measurement:** Use comprehensive metrics to assess satisfaction, incorporating dimensions such as product quality, price perception, customer service, and brand reputation.
3. **Longitudinal Approach:** Adopt a longitudinal approach to track changes in consumer satisfaction over time and identify key factors influencing these changes.
4. **Comparative Studies:** Compare satisfaction levels across different retail formats (e.g., online vs. offline) to identify unique drivers of satisfaction in organized retail settings.
5. **Qualitative Insights:** Incorporate qualitative insights through interviews or focus groups to gain deeper understanding of consumer motivations and perceptions influencing satisfaction.

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