

# RELATIONSHIP BETWEEN CUSTOMER BRAND PREFERENCES & DEMOGRAPHIC ATTRIBUTES IN ORGANISED RETAIL – A KOLKATA BASED STUDY

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**Abstract:** Indian Retail Industry has gone through an astronomical amount of change particularly in the last five to ten years. This huge metamorphosis is distinctly visible once we see the small kiranas gradually getting replaced by huge super markets in the vicinity. This aspect is more visible particularly in the metros and tier one towns with a very huge population base. This study reveals that one of the main reasons for the customers to opt for these organized retail outlets was the availability of all their daily needs under one roof. However, it has also been observed that the brand awareness and associated brand preferences also vary from one customer to the other due to various factors. One of the principal determinants influencing today's customer to seek for or avoid a particular brand are the demographic factors like - Gender, Age, Marital Status, Occupation, Education, Monthly Income and Family Size. This study has made an endeavour to unearth how these above mentioned factors are influencing the customer brand preferences in some of the prominent retail chains in Kolkata.

**Keywords:** Customer Brand Preference, Organised Retail, Demographic Attributes, Chi-Square Test

## Introduction

Retail sector is one of the main driving forces of current Indian Economy. In today's society, shopping has become more a habit than a need. Gone are those days when people used to shop for all the household requirements once a month or may be once a fortnight. With the changing socio-economic structure where both the husband and wife are working leading to more disposable income and consequently higher propensity to spend shopping today is more pleasure driven than a necessity driven aspect. Retailing consist all activities involved in marketing of goods and services to consumers

for their personal, family, or household use. Retailing is the set of business activities that add value to the products & services sold to consumers for their personal or family use (Levy & Weitz 2008). Retailing refers to all functions and activities involved in the selling of commodities directly to consumers. For a strong, stable and consistently growing economy, a well organised and efficient retail sector is an utmost requirement (Kumar, Vikkraman, 2012). In general terms - retailing can be defined as buying and selling of goods and services. However, a refined approach defines "Retail"

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as timely delivery of goods and services to the consumers demanded by them at competitive and affordable price.

### Literature Review

**Goswami and Mishra (2009)** aimed to understand whether Indian consumers move to organized retailers instead of kirana store for purchasing groceries. They took 4 cities for their study in which two major and two small cities. They took a sample of 100 respondents from each city and used stratified systematic sampling design with sample size of 400 and used multivariate statistical techniques to analyse the data collected through structured questionnaire. They found that customer are positively tuned to location, helpful and trustworthy salesperson, home delivery, cleanliness, product quality and negatively related to travel inconvenience. They found that kiranas do well on location but poor on cleanliness, offers, quality, helpful and reliable salesperson.

**Goel and Dewan (2011)** made an attempt to find out the factors affecting the Consumer Preferences of shopping at organised retail stores in 5 cities of Punjab. They mentioned that due to intense competition in this field retaining customers is of prime importance and strategies have to be made to enhance the same which depends on associated factors like - product availability and variety, ambience, service, price, advertisement, prestige and quality.

**Gupta, Kim & Sharma (2011)** made a study on Customer switching to Organised Retail from Unorganised Retail Sector particularly in the Semi-urban pockets of India. They concluded that the semi-urban market dynamics being quite different from the urban markets and metropolis, the extent of relationship

between customers and small retailers is a formidable challenge for organized retailers. Organized retailers need to focus on this factor and can attract customers based on convenience and quality.

The study of Dinesh Kumar and Vikkraman (2012) was aimed to identify the prime factors of customer satisfaction in organised retail sector across Erode city in Tamilnadu. They also tried to examine the attitude and behaviour of customers towards organised retail sector. By application of descriptive research techniques they collected data from 200 respondents with structured questionnaire. The obtained data were processed through percentage analysis, Chi-Square Test, Correlation and Cross Table Analysis. The results showed that 64 % of the respondents were purchasing from convenience stores before earlier before switching over to the organised retail formats. They found that the consumers were satisfied with the service quality of organised retail sector but dissatisfied with their mode of payment options. However the study revealed that there was no significant relation between the service quality and education of the consumer but significant relation existed between the purchase volume and Income level of the consumer.

**Pandya and Bariya (2012)** carried out a study on the attributes of Organised and Unorganised Retail sector that the consumers prefer across the city of Vadodra in Gujarat. They collected 200 samples by stratified sampling method. The study revealed that most of the consumers were satisfied with the factors like-pricing, shopping convenience, product or merchandise assortment and billing transparency in the organised retail formats. It also showed that the consumers preferred unorganised retail stores

for buying fruits, vegetables etc. whereas in case of buying packaged food and cosmetics that preferred organised retail stores.

**Talreja and Jain (2013)** where they made a detailed empirical analysis of the changing consumer perception from unorganized to organized retail in Udaipur district of Rajasthan.

They took the samples of 100 customers and followed chi square test, weighted average methods. The study revealed that the choice of retail format does not depend on shopping items, family income level and age but depend upon various other shopping factors like the store image, range of products, brand choices, price, store atmosphere, credit availability, and shop proximity.

**Kanetkar (2013)** made an attempt to find out the impact and effects of organized retail on Indian consumers particularly in the context of Nagpur region in Maharashtra. The study revealed that – the purchasing pattern of the customer has changed to a great extent in the in recent times where a customer's buying behaviour is being influenced by social factors, such as the group to which the customers belong and social status. It is quite evident that in a group, several individuals may interact to influence the purchase decision. Due to this drastic change in the behaviour of the consumer, in the view of growing economy, earning capacity, less time and fast track life the organized retail base has posed a major challenge to the traditional retail sector in modern India.

The study made by **Harish Nair and Girish Nair (2013)** tried to find out the factors that attract the customers towards organized retail sector. In addition to that it also aimed to find interrelationship between various retail services

and quality dimension which helps to identify the steps needed to improve the overall quality of services. Primary data were collected from various sources like magazines, journals, web portals. They took a sample of 100 respondents randomly and used the chi square test technique. The study revealed that there is significant relationship between modern looking equipment and fixture and visually appealing variables of physical aspects of organized retail outlets. They also found that there is a positive relationship between easy accessibility and easy internal mobility of physical aspect dimension. They also found that there is a positive relationship between employee knowledge and employee behaviour variables of personal aspect dimension.

**Kusuma, Prasad and Rao (2013)** tried to focus on the challenges faced by organized retail sector in India. It also provided some suggestions to overcome those challenges. They found that emergence of organized retail, spending capacity of youth, raising income level and purchasing power, changing mindset of customers, easy customer credit facility, high brand consciousness, increasing disposable income, increasing number of dual income nuclear families, changing lifestyle, changing consumer behaviour, changing experience with formats and store design are some of the major reasons for growth of retail industry in India. They also suggested that factors like-provision of incentives for investments, comprehensive legislation, eliminating red tape-ism, proper tax structure will overcome the challenges for organized retail development.

**Sushmana (2014)** proposed to go for a research to find out the consumer perception towards organized and unorganized retail stores along with finding out the consumer perception

towards satisfaction level from organized and unorganized retail stores. They took a sample of 100 customers and used the structured questionnaire for collecting data using the random sampling techniques. Results revealed that 40% customers prefer unorganized retail for shopping while 34% customers prefer organized retail stores. The balance 26% consumer customers prefer both. They also found that 40% customers purchase groceries from kirana store, 30% customers from supermarkets, 16% customers from convenience store and 14% customers from hypermarkets. The study showed that 45% customers visit mall fortnightly, 35% customers visit weekly, 15% monthly and 5% daily. In context to the behavioural aspect -50% customers visit mall for shopping, 32% visit for entertainment and 18% visit for window shopping. They also found that consumers are attracted to unorganized retailers due to factors like - close proximity, goodwill, credit sales, bargaining, loose items, convenient timing and home delivery. On the other hand the consumers visited organized retailers for availability of better quality products, lower prices, one stop shopping, choice of additional brands and products, family shopping and fresh stocks. They also found that consumers from lower income level enjoyed better savings while shopping from organised retailers.

**Hameed (2015)** attempted to study the determinants of customer satisfaction in the organized retail. His other objective was to assess the - attitude, loyalty aspect, satisfaction and behaviour of consumers towards retail stores and future prospects of organized retail stores. With the help of convenience sampling technique a sample of 52 consumers had been drawn. Thereafter data was collected by the

help of close ended structured questionnaire. Results revealed that a favourable store layout is very important for high level of customer satisfaction, whereas store loyalty depends on effective handling of customer relationships. The study also showed that less queue and welcoming staff positively affect services quality whereas accuracy of bills, price discount positively affects the customer's reliability.

**R Shashikala and J Gangatkar (2015)** carried out a study in Bangalore and tried to compare consumer perceptions towards supermarkets and provisional stores. They studied provision stores as well as supermarkets in this regard. They framed the hypothesis and by the help of Convenience sampling a sample of 100 respondents were gathered. The results showed that in case of purchasing grocery, the factors like -quality, price, proximity, hygiene are regarded as considered more important than services, ambience, store image, variety and availability.

**Shenbagasuriyan and Balachandar (2016)** tried to find out the type of retail sector from where customers buy their household needs and to analyse kind of products that customers buy from a particular retail sector. They took the sample of 160 consumers after which questionnaire was used for collecting the data. They applied the chi square test to find the association between the retail sector which the customer opts for buying the products and what kind of products they purchase in those stores. They found that there is association between type of retail sector and customers buying the products. The results revealed that 28.8% customers make purchase twice per month, 26.2% customers does it weekly, 18.1% was found to make purchases at least 3times a week, 14.4% does it monthly whereas

12.5% purchases occasionally. Results also revealed that 13.8% of customers visit the store below a month, 23.8% customers visit every one to three months, 20% customers visit every three to six months, 12.5% customers visit every 6 months to 1 year, 30% customers visit the store above 1 year. They also opined that there needs to be certain level of control on the retail sector from the government bodies. Scope of the Study:

The earlier studies have shown a considerable amount of work has been done in the retail sector by some researchers in other states and cities of India. However not much work has been done regarding the factors that influence the consumers brand preference from organized retail stores in the context of West Bengal. India being a very vast country with lots of different cultures, practices, habits, preferences and choices, it would be tough to properly predict the factors that consumers of West Bengal are controlled by for switching over or sticking to one particular brand in a retail outlet. This study had therefore been conducted to focus on how the so called demographic attributes are influencing consumers' brand preferences in some prominent outlets of Big Bazaar and Spencers only within the city of Kolkata.

### Objectives of the Study

The main objectives of the study are mentioned as per the following:

1. To Study the demographic profile of the customers visiting and shopping at specific Big Bazaar and Spencers retail outlets.
2. To Study the inter-dependence of Customer Brand preference with the different

Demographic Attributes.

### Research Methodology

**Research Design:** The present study had a descriptive research design, and efforts have been taken to explore and study the demographic characteristics of the people visiting and shopping at specific retail outlets of Big Bazaar and Spencers. Form the procured data on demographic attributes study had been undertaken to explore how they are determining the brand preference of the visiting customers.

### Sample Design

**Population:** population had been all those customers who visit and shop at the specific organised retail chain outlets of Kolkata.

**Sample Size:** The Sample size for the study was 270 respondents

**Sampling Technique:** Sampling had been done by approaching every 5th customer leaving the outlet by "Mall Intercept Method" and thereafter directly interacting with them by the help of pre-structured questionnaire.

### Research Instrument and Data Collection

**Methods:** Data collected was mainly primary in nature through structured questionnaire which was filled by the respondents visiting and shopping frequently at those retail outlets in Kolkata.

**Analysis Tools:** Data collected was analysed by using various statistical tools and techniques wherever deemed necessary.

### Analysis and Interpretation

The result obtained during the course of study is mentioned in the following tables:

**1. Demographic Profile Results (Simple Percentage Analysis)**

Serial No.	Demographic Factors	Variables	Numbers	Percentage
1	Gender	Male	206	76.3
		Female	64	23.7
		Total	270	100.00
2	Age	21-30	59	22.0
		31-40	113	42.0
		41-50	93	35.0
		Above 50	5	1.9
		Total	270	100.00
3	Marital Status	Married	142	52.59
		Single	128	47.41
		Total	270	100.00
4.	Occupation	Service	75	27.78
		Housewife	60	22.22
		Business	86	31.85
		Others	49	18.15
		Total	270	100.00
5.	Educational Qualification	Plus Two	97	35.93
		Graduate	94	34.81
		Post-Graduate	79	29.26
		Total	270	100.00
6.	Monthly Household Income	Less than 30K	88	32.59
		30.001-40K	89	32.96
		40.000-50K	47	17.41
		50,001-60K	24	08.89
		More than 60K	22	08.15
		Total	270	100.00
7.	Family Size	1-3 members	120	44.44
		4-6 members	115	42.59
		7-9 members	19	07.04
		Above 9 members	16	05.93
		Total	270	100.00

## 2. List of hypothesis regarding the independence of demographic attributes and the customer brand preferences tested using chi square test at 5% level

Serial No.	Null Hypothesis	p-Value	Df	Result (5% level)
1	There is no association between the gender and customer brand preferences in organised retail outlets.	0.827	1	Null Hypothesis Accepted
2	There is no association between the age and customer brand preferences in organised retail outlets.	0.31	3	Null Hypothesis Accepted
3	There is no association between the customer's marital status and customer brand preferences in organised retail outlets.	0.89	1	Null Hypothesis Accepted
4	There is no association between the occupation and customer brand preferences in organised retail outlets.	0.539	3	Null Hypothesis Accepted
5	There is no association between the educational background and customer brand preferences in organised retail outlets.	0.03	2	Null Hypothesis Rejected
6	There is no association between the monthly household income and customer brand preferences in organised retail outlets.	0.028	4	Null Hypothesis Rejected
7	There is no association between the family size and customer brand preferences in organised retail outlets	0.033	3	Null Hypothesis Rejected

### Conclusion

Analyzing brand preferences of consumers has always been an area of great interest for brand researchers and marketers. Through this study the researcher has explored the relationship between the demographic variables and brand preferences of consumers in the retail sector.

From the above findings it can be concluded that the males and females have similar preferences toward brands. Thus the retailers can think of promoting brands without much looking at the gender of the target segment. But the statement used here is too generic in

nature. Preferences may vary based on the nature of products. Similar is the case for age groups, marital status and occupation. These demographic attributes of the customers have no association with their brand preferences. However educational background, monthly income and family size have significant association with the brand preference. It can be assumed that with greater educational qualifications a person acquire greater analytical skills. Their level of awareness also increases. Thus they develop a strong sense of preferences for the brand. Similarly the monthly income category also depicts an association with

the brand preferences. People with higher income will always tend to be brand aware than their low income counterpart. Using brands also become status symbol sometimes. Brands are supposed to display an individual's personality. So as the income level increases people tend to develop a strong preference for well-known brands. But there are other factors like culture, background etc which influence this preferences for high income groups. Lastly, the family size also influences the preferences of brands. Preferences vary with family size. As family size increases the discretionary income decreases thus people try to become more economical than status conscious. So it is quite justified that there is always difference in the level of brand consciousness between customers from different family sizes.

### Conflict of Interests

The authors declare that there are no conflict of interests that are directly or indirectly related to this research work.

### Funding

We have not received any financial support from any organization to undertake this study.

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