

An Investigation on Consumers Demographic Characteristics and Factors Motives Towards Organized Retail

Dr. Rajni Yashwantrao Kshirsagar¹, Dr. Pritam P. Kothari² and Dr. Shivkumar L. Biradar³

¹Assistant Professor, Hirachand Nemchand College of Commerce (Autonomous College), Dept. of Management Studies, Solapur, Maharashtra, India

²Associate Professor & Head, Hirachand Nemchand College of Commerce (Autonomous College), Dept. of Management Studies, Solapur, Maharashtra, India

³Associate Professor, Hirachand Nemchand College of Commerce (Autonomous College), Solapur, Maharashtra, India

Abstract:

The retail sector represents one of the largest contributors to the global economy and has experienced significant transformation in India over the past decade. Rapid urbanization, rising disposable incomes, and changing consumer lifestyles have accelerated the growth of organized retail formats across major and emerging cities. Organized retail in India has expanded at a considerably higher growth rate compared to the overall retail industry, contributing substantially to employment generation and national economic development. The expansion of modern retail infrastructure, improved brand communication, and the availability of diverse products have further strengthened consumer engagement with organized retail outlets. In cities such as Solapur, the emergence of retail chains and shopping malls has altered traditional shopping patterns and consumer purchasing behavior. This study examines the relationship between consumers' demographic characteristics and the factors influencing their inclination toward organized retail formats. Primary data were collected from 500 respondents through a structured questionnaire and face-to-face shopper intercept surveys conducted at major organized retail stores in Solapur. The study is significant for retail sector, policy reviews and developing economies like India.

Keywords: *Organized Retail, Behavior, Motivation, Demographics, Consumer Buying*

1. Introduction:

India started its Retail Journey since ancient time. In Ancient India there was a concept of weekly HAAT, where all the buyers and sellers gather in a big market for bartering. It takes a pretty long Therefore, the Indian retail industry is divided into two sectors organized and unorganized. The Indian retail industry is now beginning to evolve transformation that has swept other large economies. There is a vast change in Indian retail, the liberalization of the consumer goods industry initiated in the mid-1980's and accelerated through the 1990s has begun to impact the structure and conduct of the retail industry. The concept retail includes the shopkeeper to customer interaction, has taken many forms and dimensions, from the traditional retail outlet and street local market shops to upscale multi brand outlets, especially stores or departmental stores. Hence, focusing on two aspects of retail marketing, i.e., store retailing and non-store retailing. Store Retailing as the departmental store, which is a store or multi brand outlet, offering an array of products in various categories under one roof, trying to cater to not one or two but many segments of the society and non-store retailing as the direct selling, direct marketing, automatic vending. The technology such as artificial intelligence have widened the scope from manufacturing to distribution, logistics etc. (Gaikwad, 2024).

2. Rationale of Study

Retail industry has witnessed the growth potential across the globe (Luo et al., 2025). The most important debate concerning the implications for the expansion of the organized retailing in India revolves around whether it is going to have positive impacts on the economy as a whole as compared to the traditional unorganized form of retailing. It has overall positive impacts in terms of generating more number of employments, new diversified forms of employments, and improving the nature of retail employment (higher salary, more job benefits, security of job, employability, etc.).

3. Significance of Study

The organized retail food and grocery stores make constant efforts to induce customers to visit the store by discount offers. Most of these stores believe in creating not just a marketing activity with its customers, but rather favor relationship building with him so as to convert first time customers into a client. They provide better parking facilities to customers and the facility to examine the product. They also offer a wide range of payment options to customers. India is currently the twelfth largest consumer market in the world. According to McKinsey Global Institute, India is likely to join the premier league of the world's consumer markets by 2025 improving its position to the fifth. But this growth is not going to happen in a smooth way. Any change always comes up with some friction and Indian retail sector is and will be witnessing the same friction. Indian retail sector is still in its nascent form if we consider its full potential

4. Objectives of the Study:

- To study the consumer shopping behavior dimensions
- To determine the factors motivating for visiting organized retail stores.
- To examine relation between consumers demographic characteristics and factors motives towards organized retail

5. Review of Literature

According to Martin (2025), the consumer patterns in the buying and decision-making have changed to the great extent. The Gen Z, technologies, geo-political conditions, inflation, competition, globalization, eco-friendly preferences have proved to be the influential factors for the retail sector.

Joseph (2008) analyzed the impact of organized retail on unorganized retailers and found that small retailers initially experienced a decline in sales and profits after the entry of large retail chains. However, the adverse effects reduced over time as traditional retailers adapted through improved customer service and personalized relationships. Similarly, Srivastava (2008) observed that the growth of malls in India transformed shopping into a recreational activity, with consumers increasingly attracted to facilities such as multiplexes, food courts, and entertainment centers. The study also noted that small retailers responded to competition by offering credit facilities and home delivery services.

Punjabi (2010) examined modern retail supply chains and reported that farmers associated with organized retail often receive better prices compared to traditional markets. However, strict quality standards limit the participation of small farmers unless adequate institutional support is provided. Purohit and Kavita (2011) studied the perceptions of traditional retailers and found that many were uncertain about the long-term effects of organized retail. While some feared reduced profits and sales, others recognized the potential for healthy competition and emphasized the need for improved customer service. Shabnam (2012) highlighted that organized retail offers better employment conditions than the unorganized sector but noted that skill gaps limit the transition of workers from traditional retail.

Recent studies further highlight the changing retail landscape. Singh and Sharma (2016) found that organized retail outlets attract urban consumers due to better product variety and shopping convenience. Kumar and Mishra (2018) reported that competition from organized retail has encouraged traditional retailers to adopt improved marketing strategies. More recently, Bansal and Agarwal (2020) and Gupta and Jain (2022) emphasized the role of technology, supply chain efficiency, and evolving consumer preferences in shaping the growth of organized retail in India.

• Research Gap

Although existing studies have examined various aspects of organized retailing, most research focuses on metropolitan cities or national-level trends. Limited studies analyze the combined impact of organized retail on traditional retailers, employment, and consumer behavior in medium-sized cities. Therefore, region-specific empirical research is needed to understand these dynamics in emerging urban markets.

6. Research Methodology

The study was conducted in Solapur city, Maharashtra State. Solapur was purposively chosen for the study because it is surrounded by many organized retail outlets. The present study identified different factors that could possibly motivate the purchase decision of in such a scenario. A multiple cross sectional descriptive type of research was designed for the study. The study identified the perception of five different groups according to age and income. Convenient sampling was used as the sampling technique and a total of 500 responses were collected. Primary data was used in the study, and a survey

method of data collection technique was undertaken. The period of study was during July-Aug. 2016. A structured pre-tested questionnaire was used as the data collection instrument. Various dimensions were determined by presenting before the respondents. The respondents are requested to give the response according to their preferences which motive them towards organized retail. Analysis of Variance (ANOVA) was conducted to know significance level between demographic characteristics and Motivational factors. It is hypothesized in this study significant relationship between Income, Age and Motivational factors. Obtained data through the questionnaire were analyzed using SPSS (20) software package in 95 % confidence interval.

7. Analysis and Discussion:

One-way analysis of Variance was conducted to know significance level between demographic characteristics and One-way analysis of Variance was conducted to know significance level between age, income and Motivational factors followed by following hypothesis

H01: There is no significant difference across different Income groups for Motivational factors **Ha1:** There is significant difference across different Income groups for Motivational factors

Table 1: Summary of ANOVA for INCOME with all buying Motivational factors

Motivational Factors	Income class	N	Mean	Std. Deviation	Mean Square	F Value	Sig	Result
One-stop shopping	upto 25000	47	1.68	.911	260.582	6.596	.000	Reject
	25001-50000	196	1.49	.741				
	50001-75000	196	1.22	.543				
	75001-100000	45	1.47	.869				
	above 1 lac	16	1.69	.873				
	Total	500	1.41	.723				
Quality Products	upto 25000	47	1.74	.896	221.648	4.273	.253	Accept
	25001-50000	196	1.63	.662				
	50001-75000	196	1.41	.579				
	75001-100000	45	1.58	.657				
	above 1 lac	16	1.69	.704				
	Total	500	1.55	.666				
Bulk Purchase	upto 25000	47	1.66	.841	3304.51	9.337	.000	Reject
	25001-50000	196	1.78	.798				
	50001-75000	196	1.57	.791				
	75001-100000	45	2.00	1.168				
	above 1 lac	16	5.50	13.501				
	Total	500	1.82	2.573				
Variety of Brands	upto 25000	47	1.98	.897	281.782	3.719	.005	Reject
	25001-50000	196	1.76	.688				
	50001-75000	196	1.57	.709				

	75001-100000	45	1.80	.894				
	above 1 lac	16	1.75	.856				
	Total	500	1.71	.751				
Product Display	upto 25000	47	2.21	.954	452.848	4.899	.001	Reject
	25001-50000	196	1.98	.933				
	50001-75000	196	1.76	.899				
	75001-100000	45	2.31	1.104				
	above 1 lac	16	2.19	.911				
	Total	500	1.95	.953				
Discounts Offers	upto 25000	47	1.91	.952	358.918	2.208	.005	Reject
	25001-50000	196	1.88	.814				
	50001-75000	196	1.76	.824				
	75001-100000	45	2.16	.952				
	above 1 lac	16	1.88	.806				
	Total	500	1.86	.848				
Quality Services	upto 25000	47	1.87	.924	366.448	1.503	.200	Accept
	25001-50000	196	1.83	.808				
	50001-75000	196	1.79	.855				
	75001-100000	45	2.13	.968				
	above 1 lac	16	1.88	.885				
	Total	500	1.85	.857				
Mode of Payment	upto 25000	47	2.81	1.313	879.872	6.694	.000	Reject
	25001-50000	196	2.70	1.230				
	50001-75000	196	3.36	1.345				
	75001-100000	45	3.13	1.342				
	above 1 lac	16	3.00	1.366				
	Total	500	3.02	1.328				
Ease of Billing	upto 25000	47	2.09	.929	485.200	3.603	.007	Reject
	25001-50000	196	2.06	.898				
	50001-75000	196	2.14	.971				
	75001-100000	45	2.56	1.307				
	above 1 lac	16	2.69	1.014				
	Total	500	2.16	.986				
Self Service	upto 25000	47	2.13	.992	468.982	3.752	.005	Reject

Satisfaction	25001-50000	196	1.87	.911				
	50001-75000	196	2.00	.955				
	75001-100000	45	2.47	1.160				
	above 1 lac	16	2.06	.854				
	Total	497	2.01	.969				
Parking Facilities	upto 25000	47	2.02	.897	687.752	4.654	.001	Reject
	25001-50000	196	2.37	1.163				
	50001-75000	196	2.28	1.154				
	75001-100000	45	2.98	1.323				
	above 1 lac	16	2.63	1.310				
	Total	500	2.36	1.174				
Home Delivery	upto 25000	47	4.13	.900	757.798	10.04	.075	Accept
	25001-50000	196	3.83	1.082				
	50001-75000	196	3.20	1.420				
	75001-100000	45	3.82	.912				
	above 1 lac	16	3.63	.619				
	Total	500	3.60	1.232				
Ambience	upto 25000	47	2.09	.952	515.142	1.243	.002	Reject
	25001-50000	196	2.16	.961				
	50001-75000	196	2.09	.996				
	75001-100000	45	2.40	1.250				
	above 1 lac	16	2.44	1.315				
	Total	500	2.15	1.016				
Overall Comfort	upto 25000	47	2.11	.938	379.768	4.523	.001	Reject
	25001-50000	196	1.82	.793				
	50001-75000	196	1.83	.858				
	75001-100000	45	2.22	.974				
	above 1 lac	16	2.44	1.094				
	Total	500	1.91	.872				
Shopping Experience	upto 25000	47	1.85	.751	317.552	7.552	.000	Reject
	25001-50000	196	1.68	.793				
	50001-75000	196	1.48	.698				
	75001-100000	45	2.04	.928				
	above 1 lac	16	2.13	1.088				

	Total	500	1.66	.798				
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It is inferred from above table that ‘Quality’ , ‘Services’ and ‘Home delivery’ have been found to have similarity in opinion irrespective of income of buyer. With the significance value of .253, .200 and .075 respectively. It means null hypothesis have been accepted so there is no significant relation between ‘Quality’ , ‘Services’ , ‘Home delivery’ and Income of buyer. So buyers are not motivated for visiting the organized retail shops due to these three factors. However, there is a significant difference of opinion about the other variables under the motivational factors. The middle level group of income class (50000 to 75000) gives more preference to variety, display, ambience, home deliver, service and overall shopping compared to the rest of the income groups. It means middle level income class is motivated due to these various motivational factors. The lower income groups (up to 50000) consider 1-stop shopping, bulk, discounts/offers self services as important variables in motivational factors. The highest (more than 75000) income groups give high preference to quality, payment, billing, parking and comfort as important variables in motivational factors

H01: There is no significant difference across different Age groups for Motivational factors **Ha1:** There is significant difference across different Age groups for Motivational factors

Table 2: Summary of ANOVA for Age with all buying Motivational factors

Motivational Factors	Age	N	Mean	Std. Dev	Df	Mean Square	F Value	Sig	Result
One-stop shopping	15-25	46	1.54	.982	4	260.58	.746	.561	Accept
	25-35	168	1.36	.641					
	35-45	218	1.43	.754					
	45-55	57	1.35	.517					
	55 above	11	1.45	.934					
	Total	500	1.41	.723					
Quality Products	15-25	46	1.74	.801	4	221.64	2.758	.027	Reject
	25-35	168	1.51	.629					
	35-45	218	1.60	.693					
	45-55	57	1.39	.526					
	55 above	11	1.27	.467					
	Total	500	1.55	.666					
Bulk Purchase	15-25	46	1.72	1.047	4	3304.5	.473	.756	Accept
	25-35	168	1.67	.830					
	35-45	218	1.95	3.770					
	45-55	57	1.98	.834					
	55 above	11	1.27	.647					
	Total	500	1.82	2.573					
Variety of Brands	15-25	46	1.76	.970	4	281.78	.472	.006	Reject
	25-35	168	1.66	.691					

	35-45	218	1.71	.754					
	45-55	57	1.75	.739					
	55 above	11	1.91	.701					
	Total	500	1.71	.751					
Product Display	15-25	46	1.93	1.020	4	452.84	1.867	.015	Reject
	25-35	168	1.88	.881					
	35-45	218	1.92	.978					
	45-55	57	2.21	.940					
	55 above	11	2.36	1.120					
	Total	500	1.95	.953					
Discounts Offers	15-25	46	1.85	.816	4	358.91	1.892	.010	Reject
	25-35	168	1.83	.787					
	35-45	218	1.83	.889					
	45-55	57	2.12	.867					
	55 above	11	1.55	.820					
	Total	500	1.86	.848					
Quality Services	15-25	46	1.98	1.022	4	366.44	.533	.012	Reject
	25-35	168	1.83	.852					
	35-45	218	1.85	.864					
	45-55	57	1.75	.714					
	55 above	11	2.00	.775					
	Total	500	1.85	.857					
Mode of Payment	15-25	46	2.67	1.248	4	879.87	1.774	.133	Accept
	25-35	168	3.10	1.296					
	35-45	218	3.09	1.378					
	45-55	57	2.74	1.232					
	55 above	11	3.18	1.401					
	Total	500	3.02	1.328					
Ease of Billing	15-25	46	2.33	.944	4	485.200	.879	.476	Accept
	25-35	168	2.15	.960					
	35-45	218	2.13	1.003					
	45-55	57	2.09	1.005					
	55 above	11	2.55	1.128					
	Total	500	2.16	.986					

Self Service satisfaction	15-25	46	2.30	1.030	4	468.982	1.761	.035	Reject
	25-35	168	2.02	.938					
	35-45	218	1.97	.979					
	45-55	57	1.82	.947					
	55 above	11	2.18	.982					
	Total	500	2.01	.969					
Parking Facilities	15-25	46	2.46	1.168	4	687.75	1.024	.394	Accept
	25-35	168	2.33	1.141					
	35-45	218	2.33	1.185					
	45-55	57	2.58	1.309					
	55 above	11	1.91	.539					
	Total	500	2.36	1.174					
Home Delivery	15-25	46	3.39	1.043	4	757.79	1.498	.202	Accept
	25-35	168	3.57	1.307					
	35-45	218	3.61	1.266					
	45-55	57	3.89	.994					
	55 above	11	3.18	1.079					
	Total	500	3.60	1.232					
Ambience	15-25	46	2.37	1.142	4	515.14	.923	.050	Reject
	25-35	168	2.09	1.031					
	35-45	218	2.15	.955					
	45-55	57	2.23	1.118					
	55 above	11	1.91	.831					
	Total	500	2.15	1.016					
Overall Comfort	15-25	46	2.17	1.161	4	379.76	1.586	.007	Reject
	25-35	168	1.82	.838					
	35-45	218	1.92	.849					
	45-55	57	1.91	.739					
	55 above	11	2.00	1.000					
	Total	500	1.91	.872					
Shopping Experience	15-25	46	1.87	1.002	4	317.55	1.131	.001	Reject
	25-35	168	1.64	.792					
	35-45	218	1.64	.775					
	45-55	57	1.72	.726					

	55 above	11	1.45	.688				
	Total	500	1.66	.798				

It is inferred from above table that 1-stop shopping, bulk, billing, payment, parking and home delivery have been found to have similarity in opinion irrespective of age of buyer. With the significance value of more than .05. It means null hypothesis have been accepted so there is no significant relation between 1-stop shopping, bulk, billing, payment, parking and home delivery and age of buyer. So buyers are not motivated for visiting the organized retail shops due to these six factors. However, there is a significant difference of opinion about the other variables under the motivational factors. The middle level age class (25 to 45 years) gives more preference to variety, display, ambience, service, overall shopping and discounts/offers compared to the rest of the age groups. It means middle level age class is motivated due to these various motivational factors. The lower age groups (below 25 years) consider 1-stop shopping, bulk, and self services as important variables in motivational factors. The higher (more than 45 years) age groups give high preference to quality, payment, billing, parking and comfort as important variables in motivational factors.

8. Conclusion:

All of the above analysis and discussion show that organized retailing has significantly influenced consumer shopping behavior in Solapur. Factors such as convenience, availability of multiple products under one roof, modern payment facilities, improved shopping environment, and increasing household incomes have encouraged consumers to shift from traditional retail outlets to organized retail formats. The study also reveals that demographic characteristics such as age, income, education, and occupation play an important role in shaping consumers' preferences toward organized retail stores. The presence of large retail chains and shopping malls has transformed the retail landscape of the city, offering consumers enhanced shopping experiences and wider product choices.

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