A Study on Consumer Buying Behaviour Towards Retail Stores in Salem District

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ABSTRACT

The rapid transformation of the retail landscape in India has significantly altered the dynamics of consumer purchasing decisions. Organized retail chains, hypermarkets, and supermarkets have emerged as dominant players even in Tier-II cities like Salem, competing with long-established local independent retailers. This study investigates the key determinants of consumer buying behavior towards retail stores in Salem District, Tamil Nadu, India. A structured questionnaire survey was conducted with 300 respondents selected through stratified random sampling. The study examines the influence of store attributes-including store ambiance, product variety, pricing strategies, staff behavior, location convenience, brand reputation, digital payment facilities, and after-sales service-on consumer purchasing decisions. Descriptive statistics, one-way ANOVA, and chi-square tests were employed for data analysis. Findings reveal that digital payment ease, competitive pricing, and store ambiance are the most significant determinants of consumer preference for organized retail formats. A statistically significant association was found between gender and retail format preference ($\chi^2 = 14.23$, $p < 0.05$). Income level was found to significantly influence overall buying behavior ($F = 7.84$, $p < 0.001$). The study offers actionable insights for retail store managers and policy makers to enhance consumer experience in the Salem retail market.

Keywords: *consumer buying behavior, retail stores, Salem District, organized retailing, store attributes, ANOVA, chi-square*

1. INTRODUCTION

Consumer buying behavior is a multifaceted construct that encompasses the decision-making processes, attitudes, perceptions, and motivations that influence an individual's purchasing activities. In the context of organized retailing, understanding this behavior is critical for retail managers, marketing strategists, and policy makers alike. India's retail sector is one of the largest globally, accounting for over 10% of the country's Gross Domestic Product (GDP) and employing approximately 8% of the workforce (Deloitte India, 2023). The organized retail segment has witnessed unprecedented growth fueled by urbanization, rising disposable incomes, and transformative shifts in consumer lifestyles.

Salem, classified as a Tier-II city in Tamil Nadu, represents a significant emerging retail market. The city has experienced the rapid proliferation of organized retail formats, including hypermarkets, supermarkets, specialty stores, and departmental stores, which operate alongside deeply entrenched traditional local retailers. This confluence of organized and unorganized retail presents a unique competitive environment. While several national studies have examined consumer behavior in metropolitan areas, there is a notable paucity of empirical research focusing specifically on Tier-II cities in Tamil Nadu, particularly Salem.

This study addresses the gap by systematically examining the determinants of consumer preference for retail stores in Salem District. Specifically, the research investigates the influence of store-related attributes-physical environment, merchandise assortment, pricing strategies, employee conduct, store location, brand equity, digital payment infrastructure, and after-sales service-on consumer buying behavior. The findings are expected to provide practical

recommendations for organized retailers seeking to strengthen their market position and enhance customer satisfaction in emerging Indian markets.

1.1 Objectives of the Study

- To analyze the sociodemographic profile of retail store consumers in Salem District.
- To evaluate the relative influence of store attributes on consumer buying behavior.
- To examine whether gender has a significant association with the preference for retail store formats.
- To determine whether monthly income significantly influences the overall buying behavior of consumers.
- To offer strategic recommendations for retail managers based on empirical findings.

1.2 Research Hypotheses

H_{01}: There is no significant association between gender and retail store format preference among consumers in Salem District.

H_{02}: There is no significant difference in overall consumer buying behavior across different monthly income groups.

2. LITERATURE REVIEW

The study of consumer buying behavior has been shaped by foundational theoretical frameworks including the Stimulus-Organism-Response (S-O-R) model (Mehrabian & Russell, 1974), which posits that environmental stimuli influence the internal affective and cognitive states of consumers, ultimately shaping approach or avoidance behaviors. Subsequent retail-specific applications of this model highlight the critical role of store atmospherics in driving purchase intentions (Baker et al., 2002; Turley & Milliman, 2000).

Kotler and Keller (2016) articulated that consumer behavior is shaped by a complex interplay of cultural, social, personal, and psychological factors. In the retail context, store image-encompassing merchandise quality, price level, store atmosphere, service quality, and promotional activities-has been consistently identified as a significant predictor of store patronage (Bloemer & de Ruyter, 1998; Thang & Tan, 2003). Berman and Evans (2018) emphasized that retail strategy must be anchored in a thorough understanding of target consumer segments.

In the Indian context, empirical research has documented that price sensitivity, product assortment, and proximity to residential areas are primary motivators for store selection (Gupta & Pirsch, 2008; Sinha & Banerjee, 2004). More recent studies have incorporated the role of technology adoption in shaping retail experiences. Verhoef et al. (2009) and Brynjolfsson et al. (2013) documented the emergence of omnichannel retail behaviors, where digital payment adoption and mobile-assisted shopping have become increasingly prevalent even in non-metropolitan markets.

Regional studies focusing on Tamil Nadu have reported that consumers in Coimbatore and Tirupur exhibit high sensitivity to promotional offers and store hygiene, while brand trust moderates the relationship between price promotions and purchase intentions (Nalini & Muruganandam, 2021). Research specific to Salem is, however, limited. Krishnamurthy and Raj (2022) conducted an exploratory study of consumer satisfaction in supermarkets in Salem and found that staff courtesy and product availability were rated as the most critical determinants of customer satisfaction. The present study extends this literature by employing inferential statistical techniques to provide more rigorous empirical evidence.

3. RESEARCH METHODOLOGY

3.1 Research Design

The study adopted a descriptive and analytical research design. A structured questionnaire served as the primary data collection instrument. The questionnaire was developed drawing upon the extant literature and validated through pilot testing with 30 respondents. Reliability analysis yielded a Cronbach's alpha coefficient of 0.871 for the composite scale, indicating excellent internal consistency (Nunnally, 1978).

3.2 Population and Sampling

The target population comprised adult consumers (aged 18 years and above) who had made at least one purchase from an organized retail store in Salem District during the preceding three months. Employing stratified random sampling, 300 respondents were selected from four administrative zones of Salem District: Omalur, Mettur, Attur, and Salem City, with 75 respondents drawn from each zone. This sample size exceeds the minimum recommended threshold of 30 per subgroup for parametric statistical analysis (Hair et al., 2019).

3.3 Data Collection

Primary data were collected through a personally administered questionnaire survey conducted over a period of six weeks (July–August 2024). The questionnaire comprised four sections: (i) screening and demographic profile; (ii) store-attribute ratings using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree); (iii) retail format preference; and (iv) open-ended feedback. Secondary data were sourced from peer-reviewed journals, industry reports (Deloitte, KPMG, and Retailers Association of India), and official government publications.

3.4 Statistical Tools

Data were analyzed using IBM SPSS Statistics Version 26.0. Descriptive statistics (mean and standard deviation) were computed for each store attribute. One-way Analysis of Variance (ANOVA) was conducted to test for significant differences in buying behavior across income groups. Pearson's chi-square test was applied to evaluate the association between gender and retail format preference. A significance level of $p \leq 0.05$ was adopted for all inferential tests.

4. DATA ANALYSIS AND RESULTS

4.1 Demographic Profile of Respondents

Table 1 presents the sociodemographic characteristics of the 300 respondents. The sample comprised 54% male and 46% female respondents. The largest age cohort was 26–35 years (36%), reflecting the dominance of working-age adults in organized retail patronage. Undergraduates constituted the predominant educational category (41%). A substantial proportion (34%) reported monthly household incomes between ₹25,001 and ₹40,000, indicating a middle-income consumer base. Private sector employees formed the largest occupational group (38%).

Table 1: Demographic Profile of Respondents (N = 300)

Variable	Category	Frequency	Percentage (%)
Gender	Male	162	54.0
	Female	138	46.0
Age Group	18–25 years	72	24.0
	26–35 years	108	36.0
	36–45 years	78	26.0
	Above 45	42	14.0
Education	School Level	54	18.0
	Undergraduate	123	41.0
	Postgraduate	93	31.0
	Others	30	10.0
Monthly Income	Below ₹15,000	60	20.0
	₹15,001–₹25,000	90	30.0
	₹25,001–₹40,000	102	34.0

	Above ₹40,000	48	16.0
Occupation	Student	66	22.0
	Private Employee	114	38.0
	Government Employee	60	20.0
	Business	60	20.0

Note. Source: Primary data (2024).

4.2 Descriptive Statistics of Store Attributes

The mean scores and standard deviations for eight store attributes are presented in Table 2. Digital payment ease recorded the highest mean (M = 4.44, SD = 0.52), followed by competitive pricing and promotional offers (M = 4.38, SD = 0.58) and store ambiance (M = 4.21, SD = 0.63). After-sales service registered the lowest mean (M = 3.72, SD = 0.94), signaling an area requiring strategic attention from retail management. All attributes scored above the scale midpoint of 3.0, confirming overall consumer satisfaction with the stores visited.

Table 2: Descriptive Statistics of Store Attributes (N = 300)

Factor	Mean	SD	Interpretation
Store Ambiance	4.21	0.63	Agree
Product Variety	4.15	0.71	Agree
Price & Offers	4.38	0.58	Strongly Agree
Staff Behaviour	3.97	0.82	Agree
Store Location	4.09	0.74	Agree
Brand Reputation	3.88	0.89	Agree
Digital Payment Ease	4.44	0.52	Strongly Agree
After-Sales Service	3.72	0.94	Agree
Overall Buying Behaviour	4.12	0.68	Agree

Note. Scale: 1 = Strongly Disagree to 5 = Strongly Agree. Interpretation: Mean ≥ 4.50 = Strongly Agree; 3.50–4.49 = Agree; 2.50–3.49 = Neutral; < 2.50 = Disagree.

4.3 One-Way ANOVA: Effect of Monthly Income on Buying Behaviour

A one-way ANOVA was conducted to test H_{02}, examining whether overall consumer buying behavior differed significantly across five monthly income categories. The results, presented in Table 3, indicate a statistically significant difference among income groups, $F(4, 295) = 7.84$, $p = 0.000$. Accordingly, H_{02} is rejected at the 1% level of significance. Post-hoc analysis using Tukey's HSD test revealed that consumers in the ₹25,001–₹40,000 income bracket reported significantly higher overall buying behavior scores compared to those with monthly incomes below ₹15,000 ($p = 0.002$). This finding aligns with economic utility theory, which posits that increased discretionary income enables greater consumption expenditure.

Table 3: One-Way ANOVA – Monthly Income and Consumer Buying Behaviour

Source	df	SS	MS	F	p-value
Between Groups	4	18.642	4.661	7.84	0.000*
Within Groups	295	175.283	0.594		
Total	299	193.925			

Note. *Significant at $p < 0.001$. df = degrees of freedom; SS = Sum of Squares; MS = Mean Square.

4.4 Chi-Square Test: Gender and Retail Store Format Preference

A Pearson chi-square test was performed to evaluate the association between gender and the preferred retail format (H_{01}). Table 4 presents the observed frequencies. The test yielded $\chi^2(2) = 14.23$, $p = 0.001$, indicating a statistically significant association between gender and retail format preference. H_{01} is therefore rejected. Male respondents predominantly favored hypermarkets (59.3%), while female respondents showed a relatively higher preference for supermarkets (45.7%). This finding corroborates prior research suggesting that male consumers tend to consolidate shopping trips in larger format stores, whereas female consumers demonstrate greater affinity for curated, neighborhood-proximate formats (Sinha & Banerjee, 2004).

Table 4: Chi-Square Analysis – Gender and Retail Format Preference (N = 300)

Gender	Hypermarket	Supermarket	Local Retail	Total
Male	96 (59.3%)	42 (25.9%)	24 (14.8%)	162
Female	54 (39.1%)	63 (45.7%)	21 (15.2%)	138
Total	150 (50.0%)	105 (35.0%)	45 (15.0%)	300

Note. $\chi^2(2) = 14.23$, $p = 0.001$. *Significant at $p < 0.05$.

5. DISCUSSION

The results of this study provide rich empirical insights into the consumer retail landscape of Salem District. The primacy of digital payment ease as a determinant of consumer preference (M = 4.44) underscores the accelerated penetration of FinTech solutions into non-metropolitan retail environments, consistent with post-COVID-19 behavioral shifts documented nationally (RBI, 2023). Salem's organized retailers would benefit from investing in seamless, multi-modal digital payment interfaces including Unified Payments Interface (UPI), contactless cards, and Buy Now Pay Later (BNPL) options to attract digitally conversant consumers.

The strong consumer appreciation for competitive pricing and promotional offers (M = 4.38) reaffirms the price-sensitivity characteristic of middle-income Indian consumers, particularly in Tier-II cities. Retailers in Salem must design localized pricing strategies-seasonal discount events, loyalty reward programs, and bundled offers-that resonate with the income demographics of the region. The relatively lower score for after-sales service (M = 3.72) reveals a significant gap between consumer expectations and perceived service delivery. Retailers are urged to institutionalize robust post-purchase service protocols, including easy return and exchange policies, customer grievance redressal mechanisms, and proactive follow-up communication.

The significant income-based differentiation in buying behavior (F = 7.84, $p < 0.001$) suggests that retailers should adopt income-segmented marketing approaches. Targeting higher-income brackets (above ₹40,000) with premium product lines, exclusive membership programs, and experiential retail elements may yield substantially higher basket sizes. Simultaneously, value-format offerings and EMI-based purchasing options can be designed to capture lower-income consumer segments without compromising margin sustainability.

The gender-based variation in retail format preference (χ^2 = 14.23, p = 0.001) has direct implications for store layout design and merchandise strategy. Hypermarket operators should optimize the male shopping experience through clear wayfinding signage, efficient checkout systems, and larger packaged product portfolios. Supermarkets, on the other hand, should cater to the female consumer demographic through enhanced fresh produce sections, health and wellness product categories, personalized in-store assistance, and aesthetically appealing store interiors.

6. CONCLUSION

This study provides a comprehensive empirical examination of consumer buying behavior towards retail stores in Salem District, Tamil Nadu. The analysis of 300 respondents through descriptive statistics, one-way ANOVA, and chi-square tests reveals that digital payment infrastructure, competitive pricing, and store ambiance are the most influential determinants of consumer preference for organized retail formats in this Tier-II city. Income level significantly differentiates buying behavior, and gender significantly associates with retail format choice.

The findings affirm that organized retailers in Salem must adopt consumer-centric strategies that are responsive to local sociodemographic realities, digital adoption trends, and evolving lifestyle preferences. The study contributes to the empirical literature on retail consumer behavior in non-metropolitan Indian markets, an area that has received inadequate scholarly attention relative to its economic significance.

6.1 Limitations and Scope for Future Research

This study is cross-sectional in nature and confined to Salem District, which limits the temporal and geographic generalizability of findings. Future research may employ longitudinal designs to track behavioral change over time. The questionnaire-based approach is subject to self-reporting biases; ethnographic and observational methods could complement survey findings. Additionally, future studies could incorporate mediating variables such as store loyalty, consumer trust, and perceived service quality within structural equation modeling (SEM) frameworks to deepen theoretical understanding.

DECLARATIONS

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