

UNDERSTANDING RURAL CONSUMER BEHAVIOUR IN EMERGING FOOD RETAIL FORMATS: A STUDY ON PURCHASING TRENDS AND RETAIL PREFERENCES

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Abstract

This study examines the purchasing behaviour of rural consumers, focusing on their preferences for different product categories and retail store types within an emerging rural landscape. The objective is to explore the most frequently purchased product categories, rural consumers' perceptions of organised and unorganised retail, acceptable travel distances for food and grocery shopping, and preferred types of retail stores. Data were collected from 502 rural respondents using a structured questionnaire. The analysis considers variables such as distance to retail outlets, awareness of retail formats, and demographic characteristics. Findings indicate that food and groceries are the top-purchased items, with most consumers able to distinguish between organised and unorganised retail stores. While unorganised retail remains the preferred option, a significant number of respondents also shop at organised outlets. Many consumers source food and grocery items from nearby village markets, emphasising the importance of accessibility. These insights offer valuable implications for retailers targeting rural markets by highlighting the importance of convenience, familiarity, and the diverse socioeconomic profile of rural consumers.

Keywords: Rural consumer behaviour, purchasing trends, organised retail, unorganised retail, retail preferences, socioeconomic factors, rural markets, consumer preferences

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INTRODUCTION

Rural markets have become increasingly significant for retail businesses due to their vast consumer base and evolving purchasing power. Understanding the unique behaviours and preferences of rural consumers is crucial for retailers to effectively penetrate these markets. The emergence of "Rural Retailing" as a revolutionary market phenomenon. This sector has remarkably grown and reshaped India's commercial landscape (Gupta, 2011; Yadav, 2018). Rural retailing in India refers to the sale of goods through small local shops, weekly markets, and vendors in village areas, mainly serving low-income, widely dispersed populations. It is mostly unorganised but slowly evolving with the entry of modern retail formats (Illur & Jogarao, 2021). Lal, Singh, and Pandey (2015) also concluded that the Indian rural market is steadily embracing modern retail formats, driven by rising income, education, and greater media exposure, highlighting the need for retailers to understand rural consumer behaviour to succeed.

To take advantage of growing rural retail opportunities, marketers must understand the customer and their purchasing behaviour (Kumar, 2017). Then make appropriate strategies to compete in this rapidly expanding sector which is showing great promise (Rahman, 2014).

Consumer purchasing behaviour is a multifaceted and evolving phenomenon influenced by numerous socioeconomic, cultural, and psychological factors (Kumar & Kumar, 2019; Pandita & Mehta, 2019; Mohanty et al., 2020). It encompasses all activities related to selecting, acquiring, using, evaluating, and disposing of goods and services, often reflecting consumers' preferences, needs, and decision-making processes. (Ramya & Ali, 2016; Chiru, 2017; Khan, 2018; Mohanty et al., 2020).

Consumer behaviour is not static; it fluctuates based on time, context, and individual differences (Pandita & Mehta, 2019; Kumar & Kumar, 2019). Such variables are important for businesses to remain agile and adaptive in their strategies, particularly in markets like India, where rural areas constitute a significant demographic with distinct purchasing patterns. (Yim et al., 2004; Lin et al., 2020).

With rural markets becoming more important, it becomes important for businesses to know the consumer behaviour in these regions. Studies have highlighted that rural consumers prioritise the affordability of the product and often make decisions influenced (Kumar & Kumar, 2019). Furthermore, shifts in retail accessibility, rising incomes, and exposure to branded products through digital media have added complexity to rural purchasing patterns, necessitating a nuanced understanding of their behaviour.

An overview of the global food and grocery retail market is presented in Supplementary Table S1. It highlights the market's size in 2022 and its expected growth by 2030, along with a compound annual growth rate (CAGR) of 3.7% over the forecast period. CAGR is a metric used to measure how much something grows each year, over a period of time and also provides insights into the market's expansion.

India's food retail sector was valued at \$835 billion in 2022 and is projected to grow to \$2 trillion by 2032. Traditional kirana stores dominate the market with around 13 million outlets, while modern retail has about 22,000 stores. In rural areas, unorganised formats are more prevalent, although modern and online grocery options are gaining popularity due to increasing digital awareness and a demand for better products (Pandey et al., 2023).

This study aims to explore rural consumers' purchasing behaviour by examining their product preferences, retail store choices, and spatial considerations. It also investigates their awareness of organised and unorganised retail formats, along with the influence of demographic factors on their shopping decisions.

LITERATURE REVIEW

This section reviews the existing literature organised by key issues to help understand the study's concept and objectives. It examines previous research and presents relevant questions in the following section.

2.1 Rural Retailing in India

Retailing is among the world's rapidly expanding industries. India ranks as the fifth-largest global destination for multi-brand retail, supported by government initiatives, 51% foreign direct investment (FDI) in multi-brand and 100% in single-brand retail (Azeem & Reddy, 2019; IBEF, 2025). This sector accounts for 8% of total employment and contributes 10% to the nation's GDP (Mondal et al., 2017; Upadhaya & Upadhaya, 2020).

Marketing to rural consumers in India has gained importance due to recent growth in rural consumption. Unorganised retailing serves as a key link to consumers and a vital income source in these areas (Sarkar et al., 2016). Despite India's dominance of unorganised retail formats like kirana stores, Lal, Singh, and Pandey (2015) noted that rural consumers are increasingly accepting organised retail, supporting the sector's expected growth alongside traditional formats.

The retail industry is divided into two main categories: organised and unorganised (Azeem & Reddy, 2019). In India, unorganised retailing refers to traditional, low-cost retail methods, while organised retailing encompasses chain stores operated by licensed retailers who are registered and contribute taxes on sales and income. Organised retail includes a range of establishments such as hypermarkets, retail chains, and large shopping centres that often combine food and entertainment. In contrast, unorganised retailing consists of over 15 million small business owners, including convenience stores, local Kirana shops, street vendors, and various stalls. The Indian retail landscape is predominantly unorganised, leading to the characterisation of the country as a "nation of shopkeepers" (Kumar, 2017; Gupta, 2011; Khan, 2018; Azeem & Reddy, 2019). This distinction is especially significant in rural regions, where traditional unorganised retail prevails. Local kirana stores provide convenience and foster personal relationships, which are highly appreciated by rural consumers. A study by Wen et

al. (2024) on rural China observed a notable rise in the consumption of poultry, meat, eggs, and sugar, indicating a shift toward high-energy, diverse food categories as income levels improved. Such trends reflect a broader shift in rural food preferences, which is relevant for examining similar shifts among Indian rural consumers. Nevertheless, the rise of organised retail, with its advantages of improved quality, pricing, and product variety, is gradually influencing consumer preferences.

Rural retail marketing involves the decisions retailers make to understand and fulfil the needs of these customers (Yadav, 2018; Pandey & Kaur, 2018). Location is a critical factor influencing store selection in rural settings. The positioning of a store significantly impacts its success, as consumer purchase is closely tied to repeat visits. Even a well-managed store image may not compensate for an inconvenient location. It means that proximity is an important consideration for consumers, regardless of their geographical location (Mittal and Prashar, 2010). In addition to proximity, product availability and price also significantly shape rural consumer choices. Rohatgi and Malik (2016), in their study of food purchasing behaviour, identified availability and pricing as the two most influential factors behind local food item purchases. These findings underscore the importance of ensuring accessibility and affordability when addressing the product-wise and store-wise preferences of rural consumers in India.

Approximately 65% of Indians reside in rural areas, representing a substantial market of 720 million consumers (Dawar, 2015; StatisticsTimes.com, 2020). While rural communities have traditionally been agriculture-based, recent decades have seen a shift toward diversified economic activities, including small-scale industries and manufacturing, supported by developments in agricultural productivity (Lal, 2017; Yadav, 2018; Azeem & Reddy, 2019).

Historically, the rural economy was primarily agrarian, but it has since diversified to include non-farm sectors such as textiles, woodcraft, pottery, food processing, paper, chemicals, and handicrafts. This shift has led to increased incomes and transformed the rural economy into a rapidly growing market (Dawar, 2015; Gupta & Gandhi, 2016). Rural marketing has evolved from traditional agricultural marketing, focusing on the flow of goods and services between rural and urban areas, as well as within rural communities themselves (Sarkar et al., 2016). Retail marketing in rural areas mirrors the concept of rural retailing, which involves selling goods and services to the rural consumer. While rural marketing emphasises customer-oriented strategies, rural retailing is more sales-oriented (Pandey & Kaur, 2018).

RQ1: What are the most frequently purchased product categories in rural areas?

RQ2: How do rural consumers perceive organised and unorganised retail?

RQ3: What distance do rural consumers consider acceptable for purchasing food and groceries?

RQ4: What types of retail stores do rural consumers prefer?

2.2 Rural Retailing and Demographic Variables

Demographic variables play a crucial role in understanding consumer behaviour and market dynamics, particularly in rural settings. The literature presents a diverse range of perspectives on how these variables influence purchasing decisions and overall market trends. This section aims to synthesise existing research findings on key demographic factors that shape consumer behaviour in rural markets.

Men and women differ in shopping style and behaviour (Das, 2014). Because of that, the influence of demographic variables on consumer behaviour has been a focal point of research, yielding varied conclusions regarding their effects on purchasing decisions. Key demographic factors—including age, income, marital status, educational background, occupation, and monthly earnings—have been recognised as crucial determinants that shape consumer preferences and behaviours within rural markets (Sawang & Amalitwarin, 2018). Furthermore, additional variables such as gender, education level, and financial status have emerged as significant predictors of customer purchasing patterns (Kumar & Kumar, 2019).

In rural contexts, these demographic variables exhibit distinct characteristics that differentiate them from urban markets. For instance, rural households often reflect a male-dominated structure, where decision-making authority is frequently vested in male members. Research indicates that male consumers in rural areas tend to make purchasing decisions independently, while female consumers are more inclined to consult their spouses or family members before making significant purchases (Kumar & Kumar, 2019; Gopakumar, 2020). These gender dynamics, along with varying levels of education and financial literacy, contribute to unique consumer behaviour patterns in rural settings, which diverge considerably from those observed in urban environments.

For example, A study by Nagpal, Singh, and Rajput (2023) highlights the significant influence of demographic factors—such as age, gender, education, occupation, and income—on rural consumer buying behaviour. Using ANOVA, they found statistically significant differences across these variables, emphasising the need to align marketing strategies with demographic profiles. Similarly, Rahman (2014) observed that educated consumers are more aware of offers and exhibit proactive buying behaviour, while also being more brand-sensitive and likely to switch outlets for better choices. These findings affirm the critical role of demographics in shaping rural purchasing patterns.

Economic factors also play a pivotal role in influencing buyer behaviour. Ramya and Ali (2016) concluded that economic variables have a more substantial impact on consumer behaviour than psychological, social, cultural, or personal factors. In the rural state of Himachal Pradesh, Kumar and Kumar (2019) highlighted that rising consumer incomes are crucial in shaping buying behaviour, emphasising that income is a significant determinant in rural market dynamics. Additionally, research by Rashid and Rokade (2015) found that individuals with monthly incomes exceeding ₹25,000 tend to prefer organised retail formats, while those with lower incomes gravitate towards unorganised retail options. This trend indicates a clear relationship between income levels and retail preferences in rural markets.

Moreover, the study conducted by Pandey and Kaur (2018) illustrates the potential for retail marketing in rural areas, noting that as rural consumer incomes increase, organised retailers are growing interested in entering these markets. Collectively, these insights illustrate the complex interplay of demographic and economic factors in shaping consumer behaviour in rural markets, underscoring businesses' need to adapt their strategies accordingly.

The significant share of the rural market, emphasizing its potential is presented in Supplementary Table S2. With a large portion of India's population living in rural areas, this emerging market presents numerous opportunities. The data underscores the importance of tapping into the rural demographic for growth.

The literature highlights the complexity of demographic variables and their varied impacts on consumer behaviour in rural markets. While factors like age, income, marital status, education, and gender play significant roles, the interplay between these variables creates a nuanced understanding of consumer preferences. Understanding these demographic nuances is critical for businesses seeking to develop effective marketing strategies and make their products meet the specific needs and preferences of rural consumers

RQ5: How do demographic factors influence rural consumer purchasing behaviour, and what socio-economic factors influence rural consumer preferences and store selection?

OBJECTIVE AND METHODOLOGY

Objectives:

1. To study the product category-wise purchase pattern of rural consumers.
2. To assess the awareness and preference of organised versus unorganised retail.
3. To identify the spatial considerations while making routine purchase decisions in rural retailing.
4. To determine rural consumers' purchase preferences of the retail stores.
5. To analyse the influence of demographic variables on the purchasing behaviour of rural customers.

Methodology

This study employed a survey methodology to gather data from rural customers of retail stores in Himachal Pradesh, India, during the year 2022. According to the 2011 Census Report, 89.97% of people in Himachal Pradesh live in rural areas, which underscores the relevance of this study in understanding consumer behaviour in rural settings.

A multistage-random sampling technique was used in Himachal Pradesh following Probability Proportional to Size. First, all 12 districts of HP were considered as strata, where districts received respondents based on their population size - larger districts like Kangra were allocated more respondents while smaller ones like Lahaul received fewer. Within each district, the next stage involved selecting participants from rural/panchayat areas based on predefined criteria. Finally, at the individual level, people meeting specific age and purchasing behaviour requirements were randomly selected from these chosen areas. This sampling method ensures balanced representation across HP's diverse population while maintaining proportionality based on district sizes and reaching the targeted rural demographic.

Ethical considerations were strictly adhered to throughout the research process, ensuring that all participants provided informed consent and that their responses were treated with confidentiality.

Out of an initial sample of 520 participants, 502 completed surveys were retained for analysis. The data collection targeted adults who were capable of independently completing the survey. A pilot study was done. This approach ensured the reliability as well as validity of the responses gathered for the study.

The questionnaire was designed to gather general information related to socio-demographics, incorporating both single-response and multiple-response questions to assess customer preferences. Based on a comprehensive literature review, additional options were included under certain demographic variables, such as the inclusion of "housewife" as an occupation, particularly in the context of food and grocery concerns. This inclusion was informed by expert opinions regarding relevant factors in this context.

Participants were asked to identify the most purchased item in rural retailing from a list of eight different options, which required them to rank their preferences. Furthermore, the questionnaire explored respondents' knowledge of organised versus unorganised retail types. It also inquired about the preferred distance for purchasing food and groceries, as well as the type of store they favoured most.

To analyze the primary data collected, descriptive statistics were employed to characterize the respondents. Frequency distributions were conducted to assess differences across demographic variables. Data visualization by table was used to effectively compare and illustrate the distribution of responses.

In summary, this study employed a structured questionnaire to gather detailed socio-demographic information and customer preferences in rural retailing, utilizing appropriate statistical methods and data visualization techniques to analyze and present the findings.

FINDINGS

4.1 Demographic Profile of the Respondents

for the present study, data was collected from 520 respondents, with 502 deemed suitable after screening. Supplementary Table S3 outlines the demographic characteristics of the participants. The sample consisted predominantly of females (64.7%) compared to males (35.3%),

with females often taking the lead in grocery shopping, particularly in rural areas. Respondents' ages ranged from 17 to 56 years, with a significant portion (59.2%) being married. Educational backgrounds varied, with 34.9% holding a degree, 28.1% having school-level education, and smaller percentages across other qualifications. Occupationally, the largest groups included those in jobs/services (28.7%), housewives (26.7%), and students (23.7%). Income distribution revealed that 38.4% earned less than 10,000 per month, while 43.2% fell within the middle-income range of 10,000 to 30,000, and only 19.4% earned over 30,000. This demographic profile as given in Table 2 indicates a diverse yet economically skewed sample, highlighting a predominance of low- to middle-income individuals, which serves as a valuable context for analysing survey responses about social, economic, and educational factors.

4.2 Product Category-wise Purchase Pattern

In this analysis, Table 1 presents findings based on 502 responses. Findings revealed the highest frequency rank for each store type and identified the most preferred rank. For each store type, the rank with the highest frequency was determined to highlight consumer preferences. As shown in the table, food and grocery emerged as the most preferred store type, with the highest frequency being Rank 1, garnering 329 responses. Similarly, mobile and telecom showed the highest frequency at Rank 2, with 258 responses and close to it Apparel showed Rank 3 with 251 responses. The last column of the table provides the percentage share for each store type, calculated based on the highest frequency rank.

Table 1: Retail Store Visit Frequency

Store Type	Frequency	Highest Frequency Rank	Percentage
Food and Grocery	329	Rank 1	65.8%
Apparel	251	Rank 3	51%
Mobile and Telecom	258	Rank 2	51.3%
Food Service	233	Rank 4	46%
Jewellery	216	Rank 6	43%
Consumer Electronics	228	Rank 5	45%
Pharmacy	209	Rank 7	41%
Other	208	Rank 8	41%

This percentage reflects food and grocery stores are visited the most, followed by Apparel and other store types based on the highest preference ranks.

4.3 Awareness of Retail Type

To identify the awareness of rural customers for the retail store type Crosstab and Chi-square statistics were used to examine the association between categorical problems (demographics and retail types).

The cross-tabulation shows that awareness levels vary across demographic categories, with a higher number of respondents reporting awareness (Yes) compared to lack of awareness (No) in all groups. Female respondents and married individuals reported greater awareness overall. Education and monthly income showed progressive trends, with higher levels of education and income associated with increased awareness. Age groups also indicated a majority of awareness in younger and middle-aged respondents compared to older ones.

Table 2: Demographic Cross Tabulation of Awareness for Retail Store Types

Demographic Variable	Category	Yes (N)	No (N)	Total (N)
Gender	Female	245	88	333
	Male	138	31	169
	Total	383	119	502
Age	Younger	148	52	200
	Middle	201	51	252
	Older	34	16	50
	Total	383	119	502
Marital Status	Married	248	74	322
	Unmarried	135	45	180
	Total	383	119	502
Education	No Formal	49	16	65
	School	110	32	142
	Degree	125	50	175
	PG	60	14	74
	Professional	39	7	46
	Total	383	119	502
Occupation	Student	87	32	119
	Housewife	97	37	134

	Job/Services	115	29	144
	Business	51	12	63
	Agriculture	27	7	34
	Labour	6	2	8
	Total	383	119	502
Monthly Income	Less than 10,000	150	43	193
	10,001 to 20,000	74	32	106
	20,001 to 30,000	76	30	106
	30,001 to 40,000	39	7	46
	Above 40,000	44	7	51
	Total	383	119	502

Table 3: Chi-Square for Demographic and Awareness

Demographic Variables	Chi-Square Value (χ^2)	Degrees of Freedom (df)	Significance (p-value)
Gender	4.05	1	.044
Age	4.159	2	.125
Marital status	260	1	.610
Education	5.198	4	.268
Occupation	3.757	5	.585
Monthly Income	8.560	1	.073

Therefore, from the above tables 3 above, the researcher illustrated that the chi-square test examines the relationship between gender and awareness of retail store types (organised vs. unorganised) among rural customers. The results indicated a statistically significant association between gender and awareness, $\chi^2 (1, N = [502]) = 4.05, p = .044$. This suggests that gender plays a role in shaping awareness levels of retail store types in the rural context.

The chi-square test for the relationship between age groups and awareness of retail store types was not statistically significant, $\chi^2 = 4.159, p = .125$. This suggests that awareness levels are not significantly associated with age categories.

The chi-square test for the relationship between marital status and awareness of retail store types was not statistically significant, $\chi^2 = .260, p = .610$. This suggests that awareness levels do not significantly differ across marital status.

The chi-square test for the relationship between education type and awareness of retail store types was not statistically significant, $\chi^2 = 5.198, p = .268$. This suggests that awareness levels do not significantly differ across education categories.

The chi-square test for the relationship between occupation and awareness of retail store types was not statistically significant, $\chi^2 = 3.757, p = .585$. This indicates that awareness levels do not significantly vary across occupational groups.

The chi-square test for the relationship between monthly income groups and awareness of retail store types was not statistically significant, $\chi^2 = 8.560, p = .073$. This indicates that awareness levels do not significantly differ across monthly income categories.

4.4 Purchase Location and Demographic Variable

The cross-tabulation analysis between demographic variables and purchase locations reveals distinct patterns in rural consumer behavior as presented in Table 4. Gender differences show females predominantly shop at nearby village and sub-divisional stores, while males also frequent district-level markets. Age-wise, younger and middle-aged consumers prefer nearby village and sub-divisional stores, with older consumers showing a slight preference for district-level stores. Marital status indicates married individuals favor nearby village and sub-divisional markets more than unmarried ones. Educational attainment correlates with purchase location, as individuals with higher education levels show varied preferences, but most still shop at nearby and sub-divisional markets. Occupationally, housewives and those in service jobs tend to favour nearby and sub-divisional stores, while students and businesspersons exhibit similar patterns. Lastly, income levels reveal that lower-income groups primarily shop at nearby village and sub-divisional stores, with higher-income groups occasionally visiting district-level markets. This analysis highlights the significance of nearby and sub-divisional stores in rural retailing, influenced by demographic factors.

Table 4: Purchase Location and Demographic Variable

Demographic Variables	Frequency for Purchase Location		
	Nearby Village	Sub-divisional Store	District-level Store
Gender:			
Female	149	161	23
Male	86	70	13

Age:			
Younger	96	93	11
Middle	120	114	18
Older	19	24	7
Marital Status:			
Married	148	156	18
Unmarried	87	75	18
Education:			
No Formal	30	32	3
School	57	78	7
Degree	93	69	13
PG	37	28	9
Professional	18	24	4
Occupation:			
Student	60	51	8
Housewife	61	64	9
Job/Service	68	69	7
Business	28	25	10
Agriculture	12	20	2
Labour	6	2	0
Monthly Income:			
Less than 10,000	92	93	8
10,001 to 20,000	51	45	10
20,001 to 30,000	52	42	12
30,001 to 40,000	25	18	3
Above 40,000	15	33	3

Note: N= 502

Table 5: Chi-Square for Demographic and Purchase Location

Demographic Variables	Chi-Square Value (χ^2)	Degrees of Freedom (df)	Significance (p-value)
Gender	2.169	2	.338
Age	5.041	4	.283
Marital status	4.423	2	.110
Education	13.620	8	.092
Occupation	14.218	10	.163
Monthly Income	15.728	8	.046

Note: N= 502

Table 5 exhibits that the chi-square test for the relationship between gender and purchase location preferences was not statistically significant, $\chi^2 = 2.169$, $p = .338$. This indicates that gender does not have a significant association with the choice of purchase location (nearby village, sub-divisional store, or district-level store).

The chi-square test for the relationship between age and purchase location preferences was not statistically significant, $\chi^2 = 5.041$, $p = .283$. This suggests that age does not significantly influence the choice of purchase location.

The chi-square test for the relationship between marital status and purchase location preferences was not statistically significant, $\chi^2 = 4.423$, $p = .110$. This indicates no significant association between marital status and purchase location choices.

The chi-square test for the relationship between education level and purchase location preferences was not statistically significant, $\chi^2 = 13.620$, $p = .092$. This suggests that education level does not significantly affect the choice of purchase location.

The chi-square test for the relationship between occupation and purchase location preferences was not statistically significant, $\chi^2 = 14.218$, $p = .163$. This indicates no significant association between occupation and purchase location preferences.

The chi-square test for the relationship between monthly income and purchase location preferences was statistically significant, $\chi^2 = 15.728$, $p = .046$. This suggests that monthly income has a significant influence on the choice of purchase location.

4.5 Retail Store Preferences and Demographics

The cross-tabulation analysis between demographic variables and retail store preferences shows that females are more likely to shop at unorganised stores, while males predominantly prefer both organised and unorganised stores. Younger and middle-aged groups show a

balanced preference for both types, whereas older individuals lean towards unorganised and combined options. Married respondents prefer both types slightly more than unorganised stores, while unmarried individuals also show a significant preference for both. Education level influences preferences, with degree holders favouring both types, while those with lower education levels prefer unorganised stores. Occupationally, housewives and students prefer both types, while those in jobs/services lean towards organised stores. Income levels show a balanced preference across all types, with lower-income groups slightly favouring both types. These results are summarised in Table 6.

Table 6: Purchase preference and Demographics

Demographic Variables	Purchase Location	Frequency
Gender		
Female	Organised	78
	Unorganised	121
	Both	134
Male	Organised	47
	Unorganised	161
	Both	216
	Total	502
Age		
Younger	Organised	59
	Unorganised	51
	Both	90
Middle	Organised	60
	Unorganised	88
	Both	104
Older	Organised	6
	Unorganised	22
	Both	22
	Total	502
Marital Status		
Married	Organised	70
	Unorganised	119
	Both	133
Unmarried	Organised	55
	Unorganised	42
	Both	83
	Total	502
Education		
No Formal	Organised	13
	Unorganised	22
	Both	30
School	Organised	25
	Unorganised	61
	Both	56
Degree	Organised	55
	Unorganised	46
	Both	74
PG	Organised	19
	Unorganised	27
	Both	28
Professional	Organised	13
	Unorganised	5
	Both	28
	Total	502
Occupation		

Student	Organised	33
	Unorganised	28
	Both	58
Housewife	Organised	18
	Unorganised	58
	Both	58
Job/Service	Organised	49
	Unorganised	41
	Both	54
Business	Organised	11
	Unorganised	22
	Both	30
Agriculture	Organised	9
	Unorganised	11
	Both	14
Labour	Organised	5
	Unorganised	1
	Both	2
	Total	502
Monthly Income		
Less than 10,000	Organised	42
	Unorganised	67
	Both	84
10,001 to 20,000	Organised	21
	Unorganised	36
	Both	49
20,001 to 30,000	Organised	31
	Unorganised	31
	Both	44
30,001 to 40,000	Organised	12
	Unorganised	16
	Both	18
Above 40,000	Organised	19
	Unorganised	11
	Both	21
	Total	502

The Chi-Square test indicates several significant relationships between demographic variables and retail store visit preferences.

The relationship between gender and retail store preferences is statistically significant, $\chi^2 = 8.262$, $p = .016$. This suggests a significant association between gender and the choice of retail store type.

The relationship between age and retail store preferences is also significant, $\chi^2 = 11.083$, $p = .026$. This implies that age significantly influences the type of retail store visited.

There is a significant association between marital status and retail store preferences, $\chi^2 = 10.905$, $p = .004$, indicating that marital status plays a role in retail store selection.

A strong, significant relationship is observed between education level and retail store preferences, $\chi^2 = 25.380$, $p = .001$. This suggests that education level significantly impacts retail store choice.

The relationship between occupation and retail store preferences is significant, $\chi^2 = 30.778$, $p = .001$, indicating that different occupations have distinct retail store preferences.

The relationship between monthly income and retail store preferences is not statistically significant, $\chi^2 = 9.007$, $p = .342$. This suggests no significant association between income levels and the choice of retail store. The chi-square results are presented in Table 7.

Table 7: Chi-Square for Demographic and Purchase Preference

Demographic Variables	Chi-Square Value (χ^2)	Degrees of Freedom (df)	Significance (p-value)
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Gender	8.262	2	.016
Age	11.083	4	.026
Marital status	10.905	2	.004
Education	25.380	8	.001
Occupation	30.778	10	.001
Monthly Income	9.007	8	.342

Note: N= 502

Overall, the analysis highlights that gender, age, marital status, education, and occupation significantly influence retail store visit preferences, while income level does not show a significant impact.

4.6 Consumer Preferences in Retail Stores for Food and Grocery Shopping

The findings indicate that a majority of rural consumers (76.3%) are aware of the distinction between organised and unorganised retail stores. However, when it comes to shopping preferences, 43.0% of respondents frequent both organised and unorganised stores, reflecting a balanced approach influenced by accessibility and product availability. A smaller percentage, 24.9%, prefer organised retail exclusively, while 32.1% rely solely on unorganised outlets. For food and grocery purchases, rural consumers predominantly shop at nearby village markets (46.8%) and sub-divisional or small-town stores (46.0%), with district-level markets catering to 36.0% of shoppers.

Table 8: Shopping Behavior and Source for Food and Grocery Purchases

Category	Option	Percentage (%)
Ability to Differentiate Between Organised and Unorganised Retail Store	Yes	76.3
	No	23.7
Types of Retail Stores Visited for Food and Grocery Shopping	Organised Retail Stores	24.9
	Unorganised Retail stores	32.1
	Both Organised and Unorganised Retail Store	43.0
Source for food and Grocery Purchases	Nearby Village Market	46.8
	Sub- Divisional Store/ Small Town Market	46.0
	District Level Market/ Feeder Twon Market	36.0

Source: Data collected from the questionnaire survey conducted by the researcher.

The above table 8 illustrates a diverse and dynamic rural retail landscape shaped by convenience and local market structures.

CONCLUSION

This study provides valuable insights into the retail preferences and behaviours of rural consumers, highlighting key trends in store-type visits and demographic characteristics. The findings reveal a clear preference for food and grocery stores, which are the most frequently visited, underscoring their essential role in meeting daily needs in rural areas. The distinction between organised and unorganised retail is evident, with 43% of respondents using both formats, and a relatively high percentage (76.3%) able to differentiate between them. This indicates increasing rural consumer awareness and a shift in shopping preferences. The majority still rely on unorganised stores due to accessibility, familiarity, and relationships, while the growth of organised retail shows changing expectations for quality and service.

The sources for food and grocery purchases indicate a strong reliance on local markets, with nearby village markets and sub-divisional stores being the primary sources. This suggests that convenience and accessibility are major factors influencing shopping decisions.

Demographic analysis reveals that gender and income levels significantly affect retail format choices. Female shoppers show higher engagement in both store types, and most rural consumers belong to low- to middle-income brackets, reinforcing the importance of affordability. Additionally, younger and middle-aged consumers are more likely to use both retail types, reflecting flexible shopping behaviour.

The analysis demonstrates that rural consumers' purchasing behaviours are significantly shaped by demographic factors, with a notable preference for both organised and unorganised retail stores. Gender and location significantly influence store preferences, while awareness of organised retail varies across demographics.

PRACTICAL IMPLICATION

Retailers and policymakers can draw on these findings to better serve rural markets. The strong preference for food and grocery stores in nearby village markets emphasises the need to improve local retail infrastructure and ensure the availability of essential goods.

Given the growing awareness of organised vs unorganised retail, there is an opportunity for organised retailers to expand in rural areas by promoting benefits like consistent pricing, product quality, and customer service. However, as many consumers still favour or combine unorganised retail for its personal connection and flexibility, hybrid models or partnerships could be explored to blend convenience with familiarity.

Policymakers should support balanced growth by investing in rural infrastructure, while also helping unorganised retailers improve their competitiveness through training, digitisation, and formalisation. This can ensure both types of stores continue to contribute to rural economic activity.

Retailers should also target marketing efforts towards women and younger shoppers, who are more active and aware of retail choices. Offering affordable, value-oriented products, along with localised promotions and services, will help attract rural customers across income segments.

Overall, a dual approach that strengthens both organised and unorganised formats, while tailoring strategies to demographic needs, can enhance rural retail ecosystems and promote inclusive economic development.

SUGGESTIONS FOR FUTURE RESEARCH

This study focused exclusively on rural consumers, without comparing their behaviours with urban counterparts. Future research could explore comparative analyses between rural and urban retail preferences to gain deeper insights into regional differences. Additionally, similar studies in different geographic areas or states could help validate and generalise the findings. Further research may also examine the evolving role of both organised and unorganised retailers in rural areas, as well as the impact of policy changes and digital retail platforms on consumer behaviour.

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