

# Store Format Choice in Emerging Retail Markets

## Abstract

**Purpose** – The research explores store format choice behavior of shoppers in an emerging market context to aid domestic and international retailers opt for sustainable format strategies in alignment with the preferences of retail consumers in these markets. The study focuses on the emerging apparel market in India as a case and seeks to achieve the following research objectives:

1. Examine the prevalent apparel retail store formats in the Indian emerging market
2. Understand the customer's perceptions about the new formats specific to retail in India
3. Explore differences in the shopper's choice of apparel store formats in India and enumerate the factors affecting such choices and,
4. Develop guidelines for international and domestic retailers for adjusting their retail store format strategies for successful marketing

**Methodology** – Owing to the limited literature pertaining to store choice in developing markets, the research was conducted in two phases. The research conceptualization survey with 126 data collected from 4 Indian metro cities was done for relevant insights on consumer perceptions about the two broad format categories of organized retail namely; single brand and multi-brand stores. The second research operationalization phase with a dataset of 336 structured questionnaires with adult urban Indian respondents was considered to understand the perceptions of the shoppers about single and multi brand apparel store formats alongside those around the organized and unorganized formats too. The exploratory study used a comprehensive list of demographics, shopping situations and format stimuli parameters along with two established psychographic scales to assess the extent of their effect on the store choice of apparel shoppers.

**Findings** – The research operationalization phase with factor analysis revealed five well defined store attributes influencing the shoppers' decision. The growing market for organized retail with a preference for multi-brand stores is highlighted in both the phases. The study establishes that the shoppers' perception of single-brand stores is still going through a formative phase in the emerging market of urban India. However at the micro level of the decision process, significant differences are established by a number of variables.

**Managerial implications** – The study explores the store choice behavior from a wider perspective that may be useful for future research on developing an integrated retail format choice model. However the data used herein depicts a cross section of urban India due to the convenience of studying relatively organized retail forms.

**Keywords:** retail format choice, emerging markets, single-brand retail, multi-brand retail, organized retail, unorganized retail