

# A COMPARATIVE STUDY OF CONSUMER PREFERENCES BETWEEN SUPERMARKETS AND LOCAL STORES: AFFORDABILITY, ACCESSIBILITY, AND AVAILABILITY OF PRODUCTS IN HYDERABAD

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## ABSTRACT

*In Hyderabad, India, this study looks at consumer preferences between supermarkets and neighborhood (kirana) shops, focusing on product availability, pricing, and accessibility. Researchers collected data from 209 respondents using a structured questionnaire. They analyzed the data with IBM SPSS's CHAID (Chi-Squared Automatic Interaction Detection), descriptive statistics, and chi-square tests. The results indicate that most respondents believe supermarkets are better in all areas, with 80% favoring affordability, 62% for accessibility, and 63% for availability. The most important factor affecting shopping choices was product availability ( $\chi^2 = 61.055, p = 0.000$ ). CHAID analysis also revealed distinct behavioral patterns: 41.2% of respondents who found supermarkets more consistent preferred them, 53.1% who thought local stores had better availability chose a mixed-shopping strategy, and 69.2% who believed local stores had better availability preferred them. These findings highlight the resilience and local strengths of kirana businesses while also indicating a notable shift toward modern retail formats. The report provides valuable recommendations for public policy and retail strategy to balance the sustainability of traditional local shops with the growth of contemporary retail.*

**Keyword:** Consumer Preferences, Supermarkets, Kirana Stores, Affordability, Accessibility, Product Availability

## 1. INTRODUCTION

Retailing is the process of selling consumer goods. In 2003, the majority of the country's retail market was made up of owner-managed small shops; by 2010, larger format supermarkets and convenience stores made up around 4% of the market, and these were only found in major cities (Tripathi et al., n.d.). A compound annual growth rate (CAGR) of 9% is anticipated for India's retail industry between 2019 and 2030, rising from US\$ 779 billion to US\$ 1,407 billion by 2026 and surpassing US\$ 1.8 trillion by 2030. In 2022, organized retail, e-commerce, and

traditional retail accounted for 81%, 12%, and 8% of the market, respectively (IBEF RETAIL INDUSTRY REPORT, 2024).

The choice between two distinct retail formats reveals a great deal about a variety of complex criteria, including product availability, pricing, and accessibility—all of which have a significant impact on customer preferences. Affordability is important to Indian consumers, and supermarkets cater to their planned clients by offering specials, loyalty programs, and reduced rates for large purchases. However, informal bargaining, credit agreements, and price differences for low-income customers are ways that local businesses compete for customers. In India, availability and accessibility have a big influence on customer preferences. For example, supermarkets appeal to the planned buyer because they provide a contemporary one-stop shopping experience in urban locations with a large product selection that includes luxury items. Local stores, on the other hand, provide unparalleled accessibility, regionally relevant supplies, and fresh products that meet local tastes and pressing needs.

The COVID-19 outbreak made accessibility and sanitation in stores even more important. The transition to local retail and digital solutions has influenced consumer behavior, demonstrating that conventional businesses are strong and resilient. The retail sector is important to economic development because it is responsive to changing consumer needs, market conditions, and technological changes. Understanding customer behavior and putting accessibility first support the retail sector's ongoing development, which encourages innovation and speeds up expansion.

## 2. REVIEW OF LITERATURE

This review summarizes important scholarly and practical research on local store dynamics, supermarket growth, retail consumer behavior, and the three main ideas of this study. Retail choice in a variety of circumstances is explained by a wide range of empirical and theoretical sources.

### 2.1 Consumer Behavior in Retail

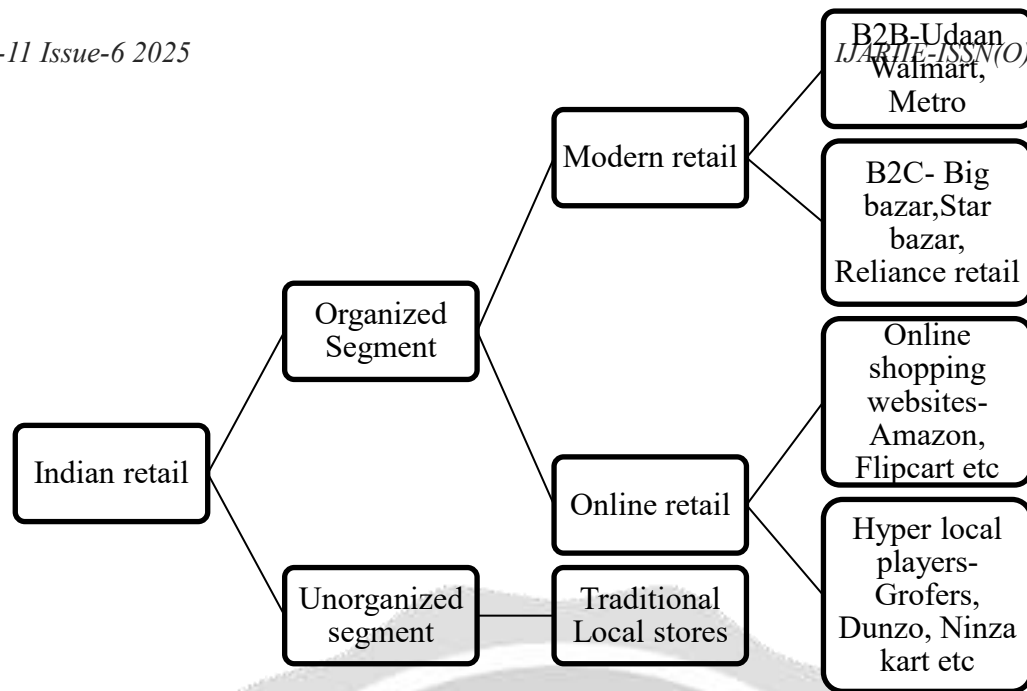
A major factor in the expansion and advancement of many world economies is the retail sector. It is one of the industries with the fastest growth rates. The activity of marketing goods and services to customers for their domestic or personal consumption is known as retailing (Sharma & Chadha, 2020).

There are two major categories of the Indian retail market: organized and unorganized. Modern retail, which is mostly brick-and-mortar, and online retailers are the two categories of organized retail. The fundamental classification of the Indian retail market and its major participants is depicted in the flow chart below (A. Varalakshmi et al., 2024).

Consumer behaviour and product/service purchasing decisions are essentially closely linked. Consumer behaviour is a crucial component of product marketing that businesses must understand. Given that customer purchase decisions are influenced by factors including location, price, and service quality, business management should consider consumer behavior, especially when it comes to the decision-making process (Ridwan, 2022).

Among other things, consumers base their decisions about whether to buy on the features, appearance, design, and quality of the products. They are curious about the manufacturing process, the raw materials and supplies used, and the product and its packaging. Because of the influence of numerous internal and external factors, the study of consumer behaviour is complicated. A consumer's attitude influences their choice of product and explains their behaviour based on their beliefs and actions (Sinha & Ali, 2024).

In addition to this, the retail market has raised consumer standards of living and made them prefer shopping at supermarkets over local stores. These retail stores have taken on the traditional market, and customers like them because they provide a unique shopping experience and make it simple to purchase goods in one location (Mohana Sujana, n.d.).



**Figure 1** Fundamental classification of the Indian retail market(Mr Irfat Ahmad, 2024)

The primary goal of supermarkets is to satisfy and keep consumers for as long as possible; their quality and prices are competitive and valued by the customers. Additionally, some societal factors could force customers in subsistence markets to remain loyal to a particular retailer. In subsistence market environments, customers and vendors frequently come from the same local area(Adeniyi et al., 2020).

Customers are afraid of breaking relationships and the consequence of social exclusion if they buy from stores outside of their neighbourhood since subsistence market communities preserve strong social ties. Customers are also reluctant to shop outside of their social network because they may believe that doing business with someone outside of their immediate circle will compromise their dignity and sense of self-respect (Mukherjee et al., 2020)

## 2.2 Supermarkets and Local Stores

**Supermarkets:** Supermarkets are self-service stores that offer a full range of groceries and other produce, taking up between 20,000 and 40,000 square feet of total selling space. They are large retail establishments that sell both food and non-food items and may be fully owned or have some departments that are leased out on an accommodation or compromise basis(Wong, 2021).

Supermarkets save time since they allow customers to get everything in one location. It offers the ideal platform for comparing identical products from several companies under different brand names and makes the best purchase choice. The following are India's leading supermarkets: Reliance Fresh, Spar, Spencer's Retail, More Retail, Food World, Big Bazaar, DMart, Star Bazar, Hypercity, and Reliance SMART (Selvam, 2023).

**Local stores:** With an area of less than 500 square feet, 12 million traditional local retailers, also referred to as Kirana stores, make up the majority of the Indian retail industry. These stores are finding it challenging to keep up with the new, modern stores since they offer a greater choice and benefit from economies of scale, which makes it harder to satisfy the rising expectations of their clientele. Typically run by family members, these stores are a part of the unorganized retail industry(Khandelwal & Ramchandani, 2024).

Local businesses' individualized service and social connection become crucial to enhancing the shopping experience for customers. Additionally, local shops are a great place to meet neighbours and friends. Customers' opinions of the store are also enhanced by interaction with the retailer(Colaço & de Abreu e Silva, 2023).

Customer loyalty is influenced, and defection is reduced when shops and customers interact in a personal way. Since small retailers live nearby, they are aware of the needs of the local market. They understand the preferences and tastes of local customers. Retailers may effectively serve customers and address customer concerns by understanding their needs through personalized relationships (Bansude & Vispute, 2022).

## 2.3 Availability of Products and Consumer Loyalty

A product is a set of goods and services that the business provides to its target market. It is an item that can be put on the market to be purchased, used, or consumed in order to meet the needs or wants of customers. Consumer

requirements and wants can be satisfied by products. It encompasses services in addition to the product's tangible form. (Widyastuti et al., 2020)

Products manufactured or originating from a particular geographic area, such as a city, region, or nation, are referred to as local products. They are frequently marketed as an alternative to mass-produced or imported goods, and buying them could be interpreted as helping to preserve the local economy and supporting regional manufacturers and business owners. Food, beverages, handcrafted goods, and many more items are examples of local products (Dudziak et al., 2023).

A supermarket is a store that sells a large range of everyday items as well as other household items that are frequently used. It frequently belongs to a chain that owns or manages other supermarkets in the same or different locations, sometimes through a franchise (Slack et al., 2020).

Customers will find a product more appealing if it is more varied. Supermarkets have a wide range of options, particularly with regard to price and brand. Because consumers want to be able to choose from a variety of products and brands each time they visit the store, the variety of products increases the likelihood that they will make additional purchases. Local businesses, on the other hand, frequently address particular requirements by providing specialized goods and more individualized services (Essardi et al., 2022).

Over the last ten years, the concept of consumer value has drawn more attention from researchers and marketing professionals. Scholars recognize that a store's ability to improve customer connections and achieve a sustained competitive performance depends on its better consumer value and customer loyalty (CL) (Ellickson et al., 2020).

Customer loyalty and profitability are well-known to have a positive connection. According to study, retaining just 5% more of a store's customers increases earnings by 25% to 125%. Their work piqued the curiosity of both practitioners and researchers, sparking a strong interest in consumer loyalty (Bowen, n.d.).

Businesses of all sizes utilize customer loyalty programs as a marketing strategy to attract repeat business by providing incentives. Beginning in the 18th century, when American merchants started giving out copper tokens with purchases, customer loyalty programs have existed. Since then, this client retention tactic has been used and developed in the contemporary world (Lawrence & Muathe, 2022).

## 2.4 Accessibility in Retail

Accessibility is commonly understood as the connection between the availability of opportunities in a particular area and the availability of transportation services to get there. It is typically used as an absolute variable that has an equal impact on the entire demographic spectrum (Neumeier & Kokorsch, 2021).

However, people's views of accessibility vary, and depending on their preferences or limitations, different people exhibit varied degrees of readiness to travel to take advantage of opportunities. In addition, the aging of the population in wealthy nations has raised questions about senior travel habits and accessibility to other important places (Ariza-Álvarez et al., 2021).

Store accessibility shapes customers' opinions about the quality of the services they receive, which has an impact on the store's performance both directly and indirectly. The likelihood of a favourable outcome in terms of sales, word-of-mouth, and future intention to buy or repurchase increases with shop accessibility (Jiao & Azimian, 2021).

Since each retailer must have a store presence in a variety of places in order to have a competitive and strategic edge in terms of how customers and rivals perceive their brand, it is unavoidable for merchants to open a small number of stores in desirable areas. The store must agree to long-term lock-ins with the property owners as a result of this capital-intensive decision (India et al., 2020).

The retail store's location has a crucial role in the customer service experience. A selection of sites is vital for retailers because it affects their public perception and profitability in multiple ways. The location of retail establishments significantly impacts their success and offers competitive advantages that are hard to match (Migdadi & Abdel-Rahman, 2020).

Consumer accessibility measures how easily customers can visit and shop at a convenience store. It is influenced by a number of factors, including road width, parking spaces that are available, and soon. A convenience store's sales increase with ease of use (Singh et al., 2020).

Building huge stores boosts market share and, eventually, the store's and the company's competitive position since consumers find them more appealing. Customers' preference for larger stores is not obvious, though. Smaller stores, according to industry officials, are "easier to shop for consumers who are pressed for time" and cultivate more intimate ties with customers, which increases customer loyalty (Soliha et al., 2021).

## 2.5 Affordability as a Decisive Factor

Delivering top-notch goods that satisfy customers' expectations is necessary to create customer satisfaction, especially in fiercely competitive markets. For the store, atmosphere design is crucial, particularly when there are more competitors, when product and price variations are reduced, or when products are targeted at different market niches (Dam & Dam, 2021).

The significance of economic issues, which are sometimes overlooked, could be the cause of the inconsistent results. Even though the lack of supermarkets may have an impact on diet and health, in areas where they are present, the cost of healthy food may still be a major concern, particularly for lower socioeconomic groups (Lee et al., 2021).

Local, national, and global political, economic, sociocultural, and environmental issues are among the many intricate elements that affect food costs. Governments can use a range of intricate policy strategies to affect food prices. The following are three typical state or federal pricing strategies: taxes on particular foods, like soft drinks; exemptions of certain goods from the goods and services or value added tax; and subsidies, like transportation and agricultural subsidies or voucher programs aimed at high-risk groups (A. Lee et al., 2013)

In rich nations, it has been demonstrated that food costs influence dietary intake, however, comparable data for low- and middle-income nations (LICs and MICs) are scarce. High food prices may have a particularly negative impact on food affordability for households that spend a large portion of their income on food (D. E. Lee & Kim, 2022). Food-related coping methods have been demonstrated to increase when food prices rise. These strategies include consuming more inexpensive, high-energy foods and reducing the variety, amount, and quality of food choices (Miller et al., 2016).

Urbanicity is known to create a gap in geographic access to food. In the literature, disparities between urban and rural areas are also frequently discussed. Program participants seldom made purchases at the closest supermarket, traveling an average of 1.07 miles for WIC shopping and 1.58 miles for non-WIC shopping in a sample of 198 low-income women in North Philadelphia (Janda et al., 2024)

People who live in places with restricted access are particularly concerned about their dependency on tiny grocery or convenience stores, which could not have all the foods necessary for a healthy diet and might charge more for these and other commodities. The results also indicate that for low-income consumers, two to three percent of their overall food expenditures come from food purchases in convenience stores. Because food prices are lower at supercentres, households with low and intermediate incomes are more likely to buy it there (Give to AgEcon Search Help Ensure Our Sustainability, n.d.)

While supermarkets were frequently used for large purchases at the end of the month (for higher-end salaried workers, as well as those who received social grants and pensions), spaza shops were perceived as offering smaller basic necessities on a daily or weekly basis, as well as for people who did not have a steady source of income. This might be interpreted as the creation of a niche and illustrates the ongoing need for retail models other than the traditional formal supermarket. It also shows how customers use a wide range of different consumption tactics. While some customers did occasionally purchase at Shoprite, it was discovered that many used Spaza stores more frequently (Matsa, n.d.)

A price comparison analysis between Shoprite and the Spaza stores was carried out in order to use price differences as a possible indicator of consumption habits. Compared to Shoprite, the range and variety of products offered at Spaza stores were significantly less. Additionally, different Spazas had different prices and quantity of offered products; store size appeared to be a particularly significant influencing factor. For basic essentials including flour, sugar, maize meal, rice, and beans, Shoprite offered big bulk alternatives at 5 and 10 kg. However, most Spaza shops surveyed only offered selections between 500 g and 2 kg, with the occasional 2.5 kg option (Peyton et al., 2015).

## 2.6 Effect of the COVID-19 Pandemic on Consumer Behaviour

Even though the full effects of this crisis on the retail industry won't become apparent until it has been contained, preliminary reports indicate that government-ordered closures of retail stores worldwide and shifts in consumer behaviour related to the pandemic are already negatively affecting the industry, with up to 20,000 high street retail stores predicted to close in the UK alone (Li et al., 2020).

Personal opinions, hygiene factors, buying aspects, customer service, an application's easy-to-use interface, the payment system (including payment alternatives and security), accessibility, and availability are some of the factors influencing consumers' grocery purchasing behaviour during pandemics. However, accessibility and hygiene were valued more than other considerations (Zuokas et al., 2022).

Customers are now more concerned about hygiene as a result of COVID-19, preferring packaged goods over wholesale (loose). Cash on Delivery has also been the least popular method of payment because it requires human interaction, and businesses are increasingly promoting hygiene considerations (Rushi & Pradhan, 2023).

In India, the majority of consumers choose to switch from supermarkets to local retail markets in large numbers. This is because the pandemic condition forces local retailers to increase sales through various pricing techniques. Retailers need to be able to respond rapidly to shifts in the market and customer trends. To thrive in the market, local shops must adhere to (C4), which states that "Connect the customer, convince the customer, commit with the customer, and care for the customer" (Girisha M C, 2021)

Customers now view their local stores with greater optimism, and the neighbourhood is growing in credibility. After the lockdown, there has been a noticeable change in how customers view the business. FMCGs, large retailers, and financial services firms ought to acknowledge that the Kirana store is the newest local touchpoint and adds to a trusted customer's daily life (Khaled et al., 2021).

## 2.7 Impact of Technology on Retail Preferences

Electronic payment, or e-payment, is a straightforward payment method that offers practical transaction methods. Electronic payment methods include credit or debit cards, e-money, ATMs, internet banking, and mobile payments. This strategy might also appeal to online shoppers because it allows them to pay for goods and services without physically visiting the vendor. Because there are multiple potential customers in various locations, the seller benefits from this as well (Astuti & Diansyah, 2022).

E-money is the tool utilized in the e-payment payment system. Comparing e-money to non-cash payment methods reveals a number of benefits, including speed, convenience, and efficiency. The quality of the service is one of the aspects that affects a buying decision. When it comes to consumers who wish to acquire goods, services have an impact on their decision to do so. The digital payment method allows customers to use it as a step to complete before deciding to buy a goods (Widayat et al., 2020).

Supermarket operations are evolving due to consumer behaviour, which places a greater emphasis on meeting customer wants in order to spur company expansion. This involves real-time online conversation and feedback between customers and businesses. It can also refer to all electronic financial and non-financial interactions between organizations and other parties (Larson et al., 2005).

In contrast, local retailers are using comparable technology, allowing digital payments and even stepping into internet marketplaces. Even though they are smaller, local businesses use e-commerce platforms. The operations of local retail stores and supermarkets have changed to satisfy customer needs for speed, convenience, and technology-enhanced personalized experiences. By meeting the needs of contemporary consumers for accessibility and convenience of purchase, this moves towards digital transactions and e-commerce aids in business growth (Križan et al., 2023).

## 2.8 Research gap

Although many studies have looked at organized and unorganized retail in India, there has not been much recent research focusing solely on Hyderabad. Additionally, only a few studies use both chi-square analysis and CHAID classification to identify the main factors that affect customer preference. Our study addresses this gap by applying these methods to explore retail choices in Hyderabad.

## 3. OBJECTIVES OF THE STUDY

1. To evaluate consumer preferences for availability, cost, and accessibility between local shops and supermarkets in Hyderabad.
2. To determine which of the three factors most strongly influences customers' choice of retail format.
3. To provide practical recommendations for policymakers and retailers, including supermarkets and kirana stores, to improve retail outcomes for urban customers.

## 4. HYPOTHESES

H0 (Null Hypothesis): There is no significant difference in consumer preferences between supermarkets and local stores based on affordability, accessibility, and availability.

H1 (Alternative Hypothesis): There is a significant difference in consumer preferences between supermarkets and local stores based on affordability, accessibility, and availability.

## 5. RESEARCH METHODOLOGY

### 5.1 Research Design

This study uses a descriptive cross-sectional research design. It gathers primary data through a structured questionnaire to analyze consumer views at a specific point in time. The study tests hypotheses about the relationships between reported shopping preferences and perceived store features using statistical methods.

### 5.2 Population and Sample

The target demographic includes adult shoppers for household goods and groceries in Hyderabad, Telangana. The study uses an initial sample of 209 respondents collected by the project team. The sample reflects the socioeconomic backgrounds, ages, and genders of people in Hyderabad.

### 5.3 Sampling Technique

Non-probability convenience sampling was used to find respondents in several neighborhoods in Hyderabad. This method prioritized response rates and accessibility during the fieldwork. While convenience sampling speeds up data collection, it has limitations that affect statistical generalizability, which are discussed later.

### 5.4 Instrument and Measures

To gather information about demographics, purchasing habits, and opinions on availability, affordability, and accessibility, a structured questionnaire was created. The instrument included: -

Section A: Demographic Profile (Gender, Age, Education, Occupation, Household Size, Monthly Income).

Section B: Buying Habits (frequency of trips to grocery stores versus local stores, average basket size, preferred payment methods).

Section C: Perceptions of statements regarding availability, cost, and accessibility using 5-point Likert-type responses (1 being strongly disagree and 5 being strongly agree).

Section D: Respondents indicate whether they prefer local stores, supermarkets, or a mix of both.

### 5.5 Data Collection Procedure

The study used a structured questionnaire to directly gather data from participants. The responses were then imported into Excel for analysis, and all information was anonymized to protect the privacy of respondents.

### 5.6 Data Analysis

The analysis method included descriptive statistics (frequencies, percentages) to summarize sample characteristics and important perception variables. Chi-square ( $\chi^2$ ) tests of independence were used to investigate the relationship between reported shopping preferences and perceptions of availability, pricing, and accessibility. CHAID tree classification was employed to identify the variables and subgroups that best predict the dependent variable (preference) and to determine interaction effects.

## 6. RESULTS

### 6.1 Sample profile (summary)

The table below offers a complete demographic profile of the respondents. In total, 209 respondents from different areas of Hyderabad formed the sample.

**Table 1: Demographic Profile of Survey**

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	112	53.6%
	Female	97	46.4%
Age Group	18-25	78	37.3%
	26-35	85	40.7%

	36-45	36	17.2%
	46+	10	4.8%
<b>Occupation</b>	Student	45	21.5%
	Employed	102	48.8%
	Government Job	28	13.4%
	Homemaker	22	10.5%
	Self-Employed	12	5.7%

**6.2 Descriptive findings**

The survey examined how customers view cost, availability, and accessibility at local shops and supermarkets. **Affordability:** The results show that 40% of respondents prefer small businesses for better deals. Meanwhile, 60% think supermarkets are more affordable. Price advantage stands out as the key factor, highlighting supermarkets as the top choice due to their competitive prices, discounts, and overall value. **Accessibility:** Among those surveyed, 38% feel that local retailers are more convenient, while 62% believe supermarkets are easier to access. Several factors shape this view, with the main ones being how close the store is to home, access to transportation, and the store's advantageous location. **Availability:** Sixty-three percent of respondents believe supermarkets provide better product availability. In contrast, 37% depend on local retailers to ensure a consistent supply. Product quality is the most important factor for this choice, followed by brand variety and freshness.

**Table 2: Distribution of Consumer Preferences by Key Decision Factors**

Factor	Supermarkets	Local Stores
Affordability	60%	40%
Accessibility	62%	38%
Availability	63%	37%

Overall, consumer behavior is shifting toward modern retail forms, as shown by the growing preference for supermarkets based on three criteria: affordability, accessibility, and availability. Supermarkets offer convenient one-stop shopping, strong infrastructure, and effective marketing, which may drive this trend.

In terms of product availability, 63% of respondents think supermarkets offer a better selection of products. Meanwhile, 37% trust local stores to maintain consistent stock levels. The main factors affecting this preference include product quality, brand variety, and freshness, with product quality being rated as the most important.

**6.3 Chi-square test results**

The study examined the relationship between [Independent Variable, e.g., respondent group, location] and the factors of availability, affordability, and accessibility using a Chi-square test of independence.

All three factors showed meaningful relationships based on the results:

- Affordability:  $p = 0.046, \chi^2(3) = 8.000$
- Accessibility:  $p = 0.038, \chi^2(3) = 8.400$
- Availability:  $p = 0.034, \chi^2(3) = 8$ .

**Table 3: Results of Chi-Square Tests for Factors Influencing Store Preference**

Factor	$\chi^2$	df	p-value	Decision on $H_0$	Interpretation
Affordability	8.000	3	0.046	Reject	Significant association found

Accessibility	8.400	3	0.038	Reject	Significant association found
Availability	8.667	3	0.034	Reject	Significant association found

The null hypothesis of independence was disproved because the p-values in each case were less than 0.05. This shows that there is a strong connection between [Independent Variable] and views on availability, cost, and accessibility. These findings indicate that these factors play an important role in customers' purchasing decisions.

**6.4 CHAID analysis**

Product availability was the most important factor predicting consumer preference according to CHAID classification. The CHAID output reveals these specific patterns:

- Respondents who think local stores have better product availability are more likely to prefer them (~69.2%).
- Respondents are more likely to use a mixed-shopping strategy (~53.1%) if they believe that local and supermarket retailers are equally available.
- The preference for supermarkets is stronger among respondents (~41.2%) who see supermarkets as more reliable and consistently available.

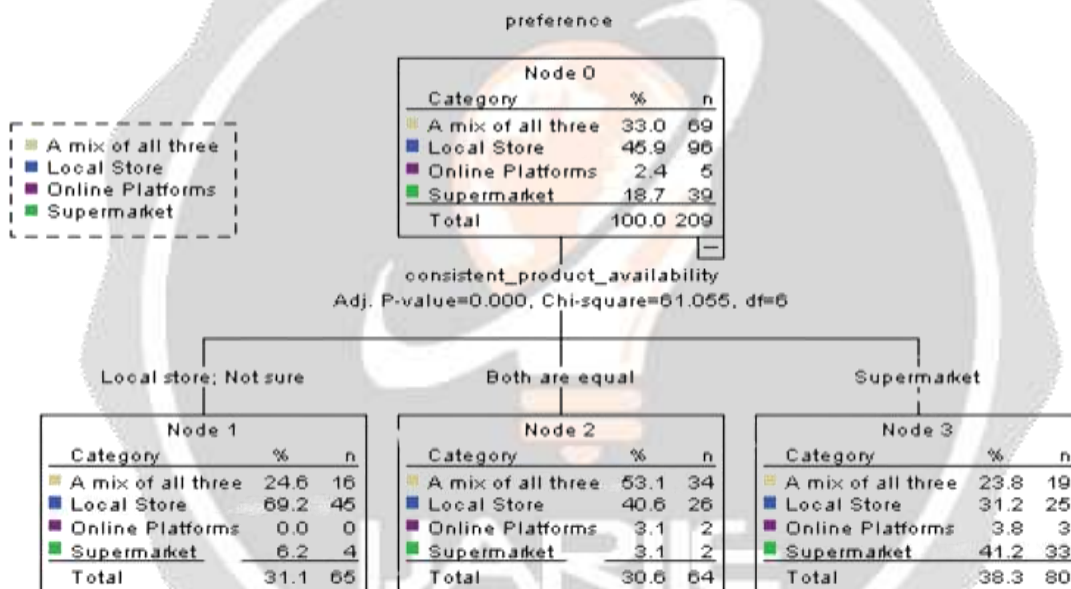


Figure 2: CHAID Tree Analysis of Consumer Store Preference

**6.5 Summary of main findings**

The data indicates that the most important factor influencing the Hyderabad sample's choice of retail format is availability. This is followed by affordability and accessibility. Local stores hold strong positions in areas like convenience, social connections, and unique product offerings, even though supermarkets dominate in overall percentages.

**7. DISCUSSION**

The results of this study show that consumer buying preferences are influenced by availability, cost, and accessibility. The descriptive analysis revealed a clear preference for supermarkets over neighborhood shops across all three criteria. This suggests that consumers are leaning towards modern retail formats, likely due to the benefits supermarkets offer, such as competitive prices, convenience, and a wide range of products.

Statistically significant correlations support these findings. The Chi-square tests showed links between consumer perceptions of availability ( $\chi^2 = 8.667, p = 0.034$ ), accessibility ( $\chi^2 = 8.400, p = 0.038$ ), and affordability ( $\chi^2 = 8.000, p = 0.046$ ) and their buying preferences. This indicates that these factors play a key role in decision-making and are not independent of consumer choice.

The CHAID analysis reinforced this conclusion, showing that shopping preferences are greatly influenced by perceptions of product availability ( $\chi^2 = 61.055$ ,  $p = 0.000$ ). Customers who believe local stores have better availability tend to prefer them, while those who see supermarkets as more reliable favor those. Respondents who view both types of stores equally are more likely to use various buying methods, showing flexibility in their choices.

Overall, these findings suggest that while product availability is the most important factor, accessibility and cost also significantly impact consumer behavior. Retailers that want to attract and retain customers need to take a comprehensive approach to these issues. They should improve not only their pricing strategies but also their stock reliability and convenience.

## 8. CONCLUSION

This study shows that availability, price, and accessibility greatly influence consumers' purchasing decisions, with product availability being the main factor. There is a clear trend toward modern retail formats, driven by competitive prices, better accessibility, and a wider selection of products, as indicated by the consistent preference for supermarkets.

Merchants need to adopt strategies that enhance pricing competitiveness, accessibility, and stock reliability. The strong Chi-square results indicate that these perceptions directly affect shopping preferences. These findings provide valuable insights for policymakers and retail managers to improve retail planning and marketing strategies to meet changing consumer needs effectively.

## 9. LIMITATIONS AND FUTURE RESEARCH

This study has important limitations, including the use of convenience sampling, which limits generalizability beyond Hyderabad, and the lack of sample diversity. The cross-sectional data also means that changes in consumer behavior over time cannot be captured. Future research should use longitudinal designs, larger samples, and probability sampling to track changes over time. Experimental or quasi-experimental methods could assess interventions such as loyalty programs, microcredit for kiranas, or last-mile delivery pilots.

## 10. PRACTICAL IMPLICATIONS

For Retailers: Supermarkets should enhance last-mile and omnichannel convenience, manage perishable inventory better, and tailor promotions for price-sensitive customers. Kirana stores should adopt digital payments, basic inventory management systems, and targeted assortments to meet urgent needs.

To improve Kirana store competitiveness, policymakers could support digital onboarding programs for small retailers, upgrade local infrastructure to facilitate their operations, and consider offering targeted incentives or training.

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