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Emergence of Organized Fruit and Vegetable Retail Outlets: Exploring Trends and Examining Shoppers' Experiences in Hyderabad

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Abstract—Organized retailing has been evolving at a rapid pace in India. Rising incomes, increased urbanization, improved communication networks and underlying infrastructure took organized retailing from offline to online format with ecommerce and quick-commerce becoming the buzzwords in the modern-day retailing. These organized retail chains brought remarkable changes like improved access, better prices, emphasis on product quality and safety with respect to food value chains. Another latest trend with organized retailing is the evolution of niche format retail stores. This study is an attempt to understand the factors driving the emergence of these niche format retail stores by taking into account the "Fruit and Vegetable" segment. One of the emerging stores in Hyderabad that is operating in "Fruit and Vegetable" segment has been considered for the study. The key store attributes considered for the study were Customer Service, Location, Pricing, Promotions, Billing experience. These attributes were used to assess the overall shopping experience of the shoppers. With the help of convenience sampling 69 responses were collected from active shoppers of this nice store segment. The authors employed descriptive statistics and one-way ANOVA to present and discuss the research findings. It was found that the key store attributes considered had an overall positive impact on the shopping experience of the shoppers.

Keywords: Fresh Fruits and Vegetables, Marketing Channel, Organized retailing, Shoppers' experience and Store Attributes

I. INTRODUCTION

India's organized retailing market has been increasing at a rapid pace. As per the latest figures available on the website of India Brand Equity Foundation (IBEF) (October, 2025), the size of the Indian retail industry was USD 952 Billion in 2024 and is expected to reach USD 1.6 Trillion by 2030. The share of organized retailing market was at USD 132 Billion (13.87%) in 2024 and will be reaching USD 230 Billion (14.38%) by 2030. The impressive growth numbers have been attracting investments both from domestic and international retail players. The favourable FDI norms in the Indian Retail sector, which are being gradually eased attracted FDI worth USD 4.86 Billion over a span of 25 years i.e. from 2000 April to 2025 June.

The existing literature highlighting the growth of Indian retailing industry attributes the success of the industry to rapid growth in income levels, urbanization, increased usage and penetration of technology. The growth in internet, telecommunication and communication related infrastructure also helped in the rise of E-commerce and Quick-commerce thereby driving the progress of organized retailing industry to a next level at a rapid pace. The organized retail industry which has its focus initially on food and convenience stores, fashion and footwear has been expanding to other segments like Hosptality, Health and Lifestyle, Jewellery, Personal Fitness and other Niche areas. One such niche area is "Fruits and Vegetables" segment, which has traditionally been a part of food and convenience stores.

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Hyderabad, being one of the largest cities of India with 11.33 million urban population has been a home to these offline retail stores operating exclusively in "Fruits and Vegetables" segment. Chain of Stores like "Pure O Natural", "Polimeraas", "KPN Fresh" etc and other standalone stores are making rapid strides in this offline retail segment. Their growth has been further accelerated after covid pandemic. The growing health-consciousness and increased intake of exotic fruits and vegetables either as Salads or in main-course dishes both at homes and restaurants. This health-consciousness was highlighted by Nandi, R., Bokelmann, W., Gowdru, N. V., & Dias, G. (2017) who did their study among residents of Bengaluru and was also observed by Minocha, S., Thomas, T., & Kurpad, A. V. (2018) who studied the fruit and vegetable intake patterns in India. The health-consciousness behaviour among Indian adolescents can be found in a latest study conducted by Rathi, N., Worsley, A., & Bruening, M. (2025). However, Anesbury, Z., Greenacre, L., Wilson, A. L., & Huang, A. (2018) highlighted that the buying behaviour fruits and vegetables in India is not limited to any particular segment. With the presence of e-commerce and quick-commerce players in the online segment and the presence of super-markets, fresh and convenience stores, street vendors, fruit and vegetable markets, nearby outlets in neighbourhood shopping areas in the offline segment, it is pertinent and interesting to know what is driving the momentum and growth of these niche offline stores.

This study attempted to explore and examine the factors contributing to the growth of these niche offline stores in "Fruits and Vegetable" segment from the standpoint of customers' shopping experience by reaching out to the shoppers of the one of these reputed niche offline stores of 'Fruits and Vegetable" segment.

II. LITERATURE REVIEW

Goswami, P., & Mishra, M. S. (2009) reported a growth in organized retailing in India, which is attributed to the entry of corporates into this segment. They also found that the key store attributes like Cleanliness, availability of brands and promotional offers propelling the customers to prefer the organized retail outlets to Kirana stores. Inspite of the growth in organized retailing, Kirana stores still survive on account of their unmatched locational advantage over the retail chain. Their study too considered 4 urban areas Mumbai, Kolkata, Jamshedpur and Nagpur with 100 respondents from each city.

Reddy, G. P., Murthy, M. R. K., & Meena, P. C. (2010) observed that "*A large chunk of fresh fruits and vegetables is lost because of inadequate post-harvest handling and lack of cold storage, processing facilities and convenient marketing channels*". This is one of the primary reasons for the evolution of niche retail store format in "Fruit and Vegetable" segment where the stores directly procure from farmers by not only addressing these challenges but also passing the benefits both to customers as well as farmers.

Halder, P., & Pati, S. (2011), Aparna, B., & Hanumanthaiah, C. V. (2013) and Sah, S., Johar, V., & Karthi, J. S. (2022) opined that the increasing demand for high-value foods has been leading the growth of supermarket stores. The channel of super market stores not only reduced the production and marketing costs for the farmers but also helped them in realizing better profits when comparted to traditional channels.

Balaji, P. (2012) mentions that the preference and positivity towards modern fruit and vegetable retail outlets by the customers is on account of their emphasis on safety, quality, variety, freshness, hygiene, product display and access. This study also targeted 400 urban customers hailing from Coimbatore.

Kulkarni, V. (2013) in his study found that the freshness, wide variety, availability and assortment of the fresh fruits and vegetables largely contribute to a satisfied shopping experience to the customers shopping at organized retail convenience stores. This study was conducted at Pune by collecting responses from 159 urban customers.

Sinha, P. K., Banerjee, A., & Uniyal, D. P. (2002) observed that the choice of the retail store is influenced primarily by convenience, merchandise available in the store, store ambience and customer service. Garg, S., Goyal, S., Purohit, C., Wadhwa, S., & Priya, P. (2016) found that store characteristics and perceived price fairness drives the consumer buying both with respect to fruits and vegetables. Verma, D., & Singla, H. K. (2019) attempted to study the factors driving the orthodox or offline shoppers to make offline purchases. Reponses collected from 162 urban offline shoppers from Delhi NCR and Pune cities revealed that

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quality, variety, freshness, variety and personal touch of fruits and vegetables alongwith hedonic utility motivates them to go for offline shopping.

It is pertinent to note that Customer Service, Location, Pricing, Promotions, Billing experience remained to be key store attributes in pulling the shoppers to the retail outlets. The authors would like to consider these store attributes in assessing the overall shopping experience of the shoppers and would like to achieve the following research objectives.

III. RESEARCH OBJECTIVES

1). To explore and understand the shopping patterns of the shoppers at organized “Fruit and Vegetable” stores

2). To explore the factors driving the shoppers to visit organized “Fruit and Vegetable” stores

3). To examine the satisfaction levels on key store attributes to the shoppers visiting organized “Fruit and Vegetable” stores

IV. RESEARCH METHODOLOGY

The exploratory research design has been employed. Variables considered for the study with respect to key store attributes based on literature survey are Customer Service, Location, Pricing, Promotions, Billing experience and Overall Shopping Experience.

IV.I. DATA COLLECTION

Authors collected the data from the shoppers visiting one of the established chain of stores operating in “Fruit and Vegetable” Segment. The store considered for the study has been operating for more than 5 years and has 60+ outlets in Hyderabad with an expected shopper footfall of more than 20,000 a month. Convenience sampling approach was followed to reach out to the shoppers and the responses were collected from the shoppers who were willing to take part in the survey. A survey questionnaire designed by the authors based on the literature survey was presented to the respondents with both closed and open-ended questions. Considering the niche segment the store is operating and the limitations associated with identifying and collecting the data from the shoppers who are willing to take part in the survey, authors could collect 69 high quality responses from the active shoppers.

IV.II. DATA ANALYSIS

Descriptive statistics were used to present the shopping patterns and the understand the factors driving the store visits of the shoppers. One-way ANOVA has been used to examine if there is a significant difference with respect to customer satisfaction levels on multiple store attributes considered for the study and the following hypothesis would be tested.

H1o: There is no significant difference of the mean customer satisfaction scores among the key store attributes

V. FINDINGS AND DISCUSSION

To get key sights on the demographics of the respondents, the authors collected the data related to their gender, age group and monthly income levels. The findings are placed in Table-1 below. Majority of the shoppers surveyed were females (~63%) and the rest were males. One participant preferred not to disclose the gender.

The respondents who took active part in the survey and were found shopping are majorly in the age-group of 20-25 and 26-30 i.e. around 78%. Apart from freshness and variety, it can be understood that the youngsters who prefer safety, quality, cleanliness are major visitors of this store. With respect to the income group of the respondents, there is more or less an even spread among various income groups. It can be inferred that income level is not a deterring factor to shop in these exclusive “fruit and vegetable” outlets and the prices of the items sold are attractive.

Table 1: Demographic Profile of Respondents

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Demographic Factor	Classification	Frequency	Total
Gender	Male	25	69
	Female	43	
	Other	1	
Age	20-25	36	69
	26-30	18	
	31-40	5	
	41-50	10	
Monthly Income (in Rs. /Per month)	Up to 20,000	23	69
	20,000-40,000	8	
	40,000-60,000	20	
	61,00-80,000	10	
	81,000-1,00,000	7	
	>1,00,000	1	

Source: Authors' compilation

V.I. SHOPPING PATTERNS OF THE SHOPPERS

One of the important factors to assess the popularity of the stores is the customer footfall. So, the respondents were asked about the visits they make to the store considered. As mentioned in the Table-2, it was found that majority of the customers (~66%) atleast make 3 store visits a month. Rest of the respondents (~34%) make atmost 2 store visits a month. These repeated visits showcase that the store considered for study could able to maintain a strong customer loyalty.

Table 2: Number of visits made to the store per month by shoppers

No. of Visits	1	2	3	4	>4	Total
Frequency	18	6	29	11	5	69

Source: Authors' compilation

As per Verma, D., & Singla, H. K. (2019) customers prefer to visit the organized retail stores to experience hedonic utility especially by shopping with their friends or family members. So, the respondents were asked if they prefer to shop alone or with family. As mentioned in table-3, almost 50% of the respondents said they prefer to shop with their family, which underscores the importance of hedonic utility associated with offline shopping. So, the organized retail stores should focus on satiating this

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hedonic utility by focusing on key store attributes like cleanliness, variety, quality, safety etc.

Table 3: Preference of Shopping of Respondents

Preference	Frequency
Alone	35
Family	34
TOTAL	*69*

Source: Authors' compilation

One pertinent thing to note about the niche "fruit and vegetable" organized retail store considered for the study is the spread of items displayed for sale in the stores. As mentioned in the table-4, the said store stocks not just fruits and vegetables but also other items like pulses and cereals, Dairy products like Milk, Cheese, Butter and other products like Maida, Rava and other staples. The customers visiting the said store definitely purchase fruits and vegetables. However, purchase of other grocery items not only provide convenience to the shoppers but also facilitate cross-selling opportunity to the said store, which can help in improving its sales.

Table 4: Commodities Purchased by shoppers in outlets

Name of Commodity	% of shoppers purchased
Fruits	100%
Vegetables	100%
Pulses, Cereals, etc	57%
Maida, Rava and other staples	47%
Cheese, Milk and other Dairy Products	22%

Source: Authors' compilation

Any retail store dealing with fresh products have to wary of their perishable nature. Hence it is important for the retail stores to understand the demand patterns in a week or on special occasions. So, the customers were requested about their preferred time of shopping and the findings are placed in table-5 below. Around 91% of the shoppers preferred weekends as their preferred time of shopping and only 52% of them reported shopping on any other weekday. Special festive occasions and offers also drive the customer footfall but the findings helps us to understand that customer convenience with respect to their time plays a key role on their shopping behavior. However, fruits and vegetables are a regular requirement and considering the importance of freshness with respect to these items, customers would like to shop on weekdays as well. But these findings can help the organized retail stores, especially the ones dealing with fresh items to plan their purchases and stock management accordingly.

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Table 5: Day preferred to purchase by shoppers

Day	% of shoppers prefer
Weekdays	52%
Weekends	91%
Festivals / Special Occasions	33%
Offers/Discounts	33%

Source: Authors' compilation

Multiple payment options give organized retail outlets an edge over the traditional Kirana stores and other unorganized retail outlets. The said store under consideration too keeps multiple payment options, as mentioned in table-6 below.

Table 6: Payment Method preferred by shoppers

Payment Method	% of shoppers prefer
Cash	55%
Credit Card	26%
Debit Card	49%
UPI	70%
Vouchers	8.6%

Source: Authors' compilation

The interesting observation is the growing adoption of UPI both by the retailers and shoppers in settling the payments. Kirana stores too started adopting UPI, thereby facilitating easier and convenient payment option to the shoppers. The other two preferred payments after UPI are Cash and Debit card. It gives us two important insights. One, the relevance of cash as a payment option inspite of multiple payment options being available. Two, payment from their own funds instead of relying on credit cards. It can be inferred that customers hopping in the said store prefer not to rely in credit much and are very cautious in credit-based spending. However to facilitate debit card and UPI transactions, the stores should facilitate good internet access or locate their stores where there is a good telecommunication network so that customers can easily access internet from their mobile phones to make the payments.

V.II. FACTORS DRIVING THE STORE VISITS OF THE SHOPPERS

The available literature highlighted various factors like safety, quality, variety, availability, access, cleanliness and others which influence the shoppers to shop at organized retail stores. But the store under consideration deals with fresh produce and to explore other possible reasons that drive the customers to these organized retail outlets, the shoppers were asked an open-ended question to list all possible factors that attracts them to a niche store format operating in "Fruit and Vegetable" segment. The findings are placed in the Table-7 below.

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Table 7: Factors driving store visits

Issues	**% of shoppers**
Brand Name	29%
Close Proximity	60%
Quality of Products	71%
Price of the Products	44%
Promotions	10%
Variety at store	80%
Others	7%

Source: Authors' compilation

Product variety, Product Quality and store proximity remains the key driving factors. Though pricing is also one of the important factors, it can be understood that shoppers are willing to pay the price if the store is close to them and offers good variety and quality with respect to fruits and vegetables. Besides that, Brand name of the store, promotions offered at the store and a few other factors mattered to a few shoppers.

V.III. SHOPPER SATISFACTION LEVEL ON KEY STORE ATTRIBUTES

The authors attempted to study the satisfaction level of shoppers with respect to key store attributes Customer Service, Location, Pricing, Promotions and Billing experience and they were asked to rate each of the attribute on a five-point Likert-scale. The scale used has five options with 1 being the least score given to highly unsatisfied response, 2 to Unsatisfied response, 3 to Neutral response, 4 to Satisfied response and 5 to Highly satisfied response. The summary of the responses is placed in the table-8 below.

Table 8: Shopper Satisfaction Levels on Key store attributes

Desscription	**Highly Unsatisfied (1)**	**Unsatisfied (2)**	**Neutral (3)**	**Satisfied (4)**	**Highly Satisfied (5)**	**Total**
Customer Service	6	11	29	17	6	69
Location	12	10	18	11	18	69
Pricing	7	9	14	22	17	69
Promotions	9	6	12	28	14	69
Billing experience	12	6	22	17	12	69

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Overall Shopping Experience	6	3	20	18	22	69

Source: Authors' compilation

Each store attribute can have a maximum score of 5. As mentioned in table-9 below, it is worth noting that each of the store attribute considered has an average score of more than 3. It indicates a strong positive opinion among the shoppers with respect to the store considered for the study towards its store attributes.

Table 9: Summary of Likert-Scale responses

Groups	**Count**	**Sum**	**Average**
Customer Service	69	213	3.09
Location	69	220	3.19
Pricing	69	240	3.48
Promotions	69	239	3.46
Billing experience	69	218	3.16

Source: Authors' compilation

But to understand the significant difference with respect to the average score of each store attribute and to test the null hypothesis H1o, single factor ANOVA has been run and the finding are placed in the table-10 below. With respect to the level of significance considered for the study i.e 0.05, the obtained p-value of 0.9986 is much greater than the said level of significance and hence H1o is accepted. It means there is no significant difference between the mean customer satisfaction score of each of the store attribute. So, it can be inferred that the shoppers visiting the said store are equally happy with each of its store attribute considered for the study. Also, the average score obtained on the Likert-scale for the overall shopping experience was 3.68, which justifies this inference.

Table 10: ANOVA Single Factor

Source of Variation	**SS**	**Df**	**MS**	**F**	**P-value**	**F crit**
Between Groups	126.8	4	31.7	0.0255	0.9986	2.866
Within Groups	24845.2	20	1242.26			
Total	24972	24				

Source: Authors' calculation

VI. CONCLUSION

The “Fruit and Vegetable” retail stores are acting as a one-stop shop for all vegetables and fruits. Typically, a person has to go to multiple vendors to buy different vegetables, leafy vegetables, healthy foods and fruits. At the same time not all fruit and vegetable vendors nearby keeps a wide variety of fruits and vegetables. Here the one-stop approach gives convenience to the customer to purchase all his fruit and vegetable requirements at one go Super markets and other retail chains offer vegetables and fruits with limited variety and among other offerings. The exclusive factor is missing in super market and other retail format stores. This exclusivity has been driving the sales performance of this Fresh stores.

Also, the freshness of vegetables and fruits remains a key pulling factor to these fresh stores over other retail format stores. Since there is no involvement of middle-men, direct association with farmers helps these stores to procure fresh produce, offer fair and remunerative price to farmers and also offer a competitive price to the customers. Customers have the option of picking and choosing the vegetables of their choice and can get correct measure of weight with respect to the goods that are being purchased.

Though there is no provision of bargaining in these outlets the factors discussed above and the store attributes considered in this study so far establishes a positive overall shopping experience among the shoppers. Sustainable operation of the existing established stores is the key to the evolution and consolidation of this niche “Fruit and Vegetable” retail segment in future.

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