




Post-pandemic retail in India: an analysis

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The current study examines consumer-retailer emotional attachment and interpersonal likeability towards word-of-mouth and consequently post-pandemic local store loyalty. Further, the mediating influence of word-of-mouth and information sharing was examined on emotional attachment, interpersonal likeability, and local store loyalty. Data was collected from customers purchasing products from local stores in north-western India via an online structured questionnaire. A covariance-based structural equation modelling (CB-SEM) for confirmatory factor analysis, mediation, and moderation analysis was used for data analysis. Word-of-mouth was found to act as a partial mediator between interpersonal likeability, consumer-retailer emotional attachment, and local store loyalty. Information sharing was a significant moderator between word-of-mouth and local store loyalty relationships. The current study attempts to understand the significance of these constructs in the Indian market post-pandemic in the local or small unorganized retail store loyalty context.

Keywords: consumer retailer emotional attachment, interpersonal likeability, store loyalty, word-of-mouth

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Introduction

The Indian retail sector has attracted investments from multinational retailers and private equity funds of about US\$970b, and foreign direct investment worth US\$2b in the last few years (IBEF 2021). Although e-commerce continues to grow (Mansouri et al. 2022), the small or local retail sector captures 75 percent market share (Aithal et al. 2023, IBEF 2021). At the same time, organized (big) retailers are collaborating with unorganized (small) retailers (ie. *Kirana* stores) to improve their availability in cities, and major FMCG players are exploring the possibility of collaborative e-commerce opportunities with small or local retail outlets. Interestingly, big organized retailers like Jiomart, Big Bazaar and Big Basket have collaborated with local producers to offer fresh groceries (Halan & Singh 2023). COVID-19 has accentuated this consumer-retailer dynamics as a means of sales and delivery (Pathak & Kandathil 2020, Sheth 2020). Given such

shifts in the business proposition, it is worth investigating the phenomenon of small retailers' driven attachment and likeability.

Indian retailing is characterized by dispersed retail formats comprising street hawkers and stalls with one room (Adhikary et al. 2021). The unorganized sector constitutes privately owned retail outlets and stalls that sell unbranded and branded products in small quantities. They offer credit and have low operating costs, primarily managed by close groups such as family members or acquaintances. The growth of malls, supermarkets, and hypermarkets intensified competition, but the significance of small retailers remains undisputed. In India, consumers prefer to purchase from small retailers because of convenience, sharing information, familiarity, and easy accessibility. Several technological advancements have transformed the logistics operations of organized and big retailers (Pantano et al. 2019, Zhang et al. 2022) and compelled small retailers also to change their business strategies (Cho & Taskin 2021, Lorente-Martínez et al. 2020). Though there are studies about small local retailers' loyalty aspects, limited research efforts have been made to understand in light of the post-COVID-19 scenario.

COVID-19 changed shopping behavior, fueling concerns about health, physical distancing, misinformation, and avoiding crowded spaces (Aithal et al. 2023). Consumers prefer to buy online and pick up at physical stores (Szász et al. 2022). There is growth in sales in the small retailing sector, with nearly 56 percent of consumers prefer buying from local stores and locally manufactured products. This habit-induced behavior is unlikely to change post-pandemic, and consumers would continue buying from neighborhood stores (Camacho et al. 2022a, Sheth 2020). The pandemic has led to increased use of e-commerce, Omni channel options, home delivery, social media for shopping, and pick-up from nearby retail stores where consumers feel safe and believe fellow shoppers follow social distancing measures (Li et al. 2020, Meyer 2020). With most consumers restricting their shopping to neighborhood stores and to better integrate digital and social media platforms and information-sharing paradigms, small retailers are realigning their marketing strategies (Kaur & Thakur 2021). The current study looks at consumer retailers' emotional attachment and interpersonal likeability in the backdrop of post-COVID-19 leading to word-of-mouth and local store loyalty. It seeks to answer the following three research questions. (1) What is the post-COVID-19 status of consumer-retailers' emotional attachment and interpersonal likeability?; (2) How consumer-retailer emotional attachment and interpersonal likeability lead to word-of-mouth and local store loyalty?; and (3) What is the relevance of information sharing within small retailers' business? Therefore, the research examines the relevance of interpersonal relationships, emotional attachment, information sharing using digital platforms, and word-of-mouth in predicting consumer loyalty towards local *Kirana* stores in an emerging market context.

The study starts with a literature review, which elaborates on the characteristics of small retailers, consumer shopping behavior post-COVID-19 pandemic, consumer-retailer emotional attachment, interpersonal likeability in light of local store loyalty, and word-of-mouth. Further, it discusses the methodology adopted, followed by the quantitative analysis and discussion of various theoretical and managerial factors. The last segment contains the conclusions, directions for future research, and certain limitations of the study.

Literature Review and Hypotheses Development

Characteristics of Local Stores

Unorganized retailing constitutes mom-and-pop (small) stores, temporary structures, stalls, shacks, hawkers, and vendors selling wares in different localities (Rosenbaum et al. 2021). These stores, called *Kirana* (small), require little investment and are managed by family members. They are economically viable as they are located in densely populated areas and offer low prices, customized products in small packs, fresh locally grown vegetables, and household products to the residents. Customers prefer local retail stores for convenience, information, easy return, product exchange, refunds, and fresh and customizable offerings and services (Pathak & Kandathil 2020). Low-income groups preferred to shop

from these stores as they offered credit facilities and customized products (Zielke *et al.* 2023). The locational convenience, paucity of time, availability of fresh eatables, and accessibility of these stores attracted poor consumers and higher income groups (Ruiz-Molina *et al.* 2021).

Research on small retailers shows the importance of social networks and personal relationships on consumer preference to shop from local stores (Grewal *et al.* 2021). Dugar and Chamola (2021) operationalized the social capital theory to understand consumers' preference for unorganized local stores. Retailers and consumers were part of the same community, which led to embeddedness and reciprocity. Embeddedness implied that consumers and retailers shared emotional attachment, and consumers trusted the retailers. The relationships were integral to a social community (Grewal *et al.* 2021). Earlier studies on social community suggested that it fostered community involvement, desire to contribute and work together with other members to develop the community goals (Dugar & Chamola 2021). The embeddedness within the community leads to interchange and information exchange, in which the members try to contribute to others' well-being (Pathak & Kandathil 2020). Thus, retailers and consumers of the same local community share an intricate reciprocal information-driven relationship that heightens trust and builds loyalty. Pantano *et al.* (2018) contend that local retailers actively contribute to the community's economic and social activities by ensuring long-term relationships. The small retailers' monetary contributions resulted from their attachment, information sharing, embeddedness, and desire to maintain good relations (Aithal *et al.* 2023). Independent retailers' social networking activities in building consumer relationships were important (Choudhary *et al.* 2023). Thus, retailers needed to design strategies to enhance cognitive and emotional experiences to foster 'store-self-connection' (Choudhary *et al.* 2023, p. 375). Consumer and small retailer relationships improved satisfaction (Aithal *et al.* 2023) and positive word-of-mouth in the community. Drawing from earlier studies on community attachment, interpersonal relationships, and the embeddedness of consumer and small retailer relationships, the current research attempts to re-examine local store attachment and loyalty post-pandemic period. We present the following two hypotheses:

H1. Consumer-retailer-emotional attachment has a significant influence on word-of-mouth.

H2. Interpersonal likability has a significant influence on word-of-mouth.

Shopping Behavior Post-COVID-19

Several changes in consumer behavior and retail have been witnessed since the outbreak of COVID-19, and retailers have been making changes in line (Pantano *et al.* 2020, Untaru & Han 2021). Laguna *et al.* (2020) found that most shopping behavior revolved around uncertainty, and there was a reduction in the number of trips taken to the store due to COVID-19 (Sheth 2020). Consumers were buying products focusing on health, longer shelf life, and avoiding unhealthy products. Consumer purchase behaviour was primarily driven by the fear of stock-outs, unavailability of essential items, and anxiety about getting infected by the virus (Laato *et al.* 2020, Mason *et al.* 2020). The uncertainty resulted in panic buying (Barnes *et al.* 2021, Doughty & Rambocas 2022), stockpiling, and hoarding (Camacho *et al.* 2022b, Laato *et al.* 2020, Nowak *et al.* 2020). To dispel consumer fears, many retailers changed their service delivery model. They implemented various measures such as social distancing, contactless payment, store pick-up, mandatory use of sanitizers and facemasks, and arranging contactless home delivery (Li *et al.* 2020, Untaru & Han 2021). Pantano *et al.* (2020) state that grocery retailers tried to foster trust through communication and service strategies that assured consumers that safety standards were being followed to prevent the spread of the virus. They offered online services, informing consumers about product availability, and used virtual queues (Pantano *et al.* 2020). These measures were devised to develop an emotional attachment with the retailers that had served the consumers during the crisis and given priority to safety combined with fulfilling their needs (Pathak & Kandathil 2020). Our next two hypotheses are as follows:

H3. Word-of-mouth has a significant influence on local store loyalty.

H4. Interpersonal likability has a significant influence on local store loyalty.

Consumer-Retailer Relationship and Emotional Attachment

Shankar et al. (2021) suggest that developing, maintaining, and enhancing customer relationships is important in creating loyalty. The customer relationship is based on attributes that create satisfaction, long-term associations, and improve profitability. The relational concept focuses on collaborative relationships, personal and social interactions, and customized strategies (Halan & Singh 2023). It entails a cooperative and collaborative approach that helps develop seller-consumer bonds and positive word of mouth (Mukerjee 2020). Store ambience and merchandise were important in nurturing trust and loyalty. Understanding the consumer helped create positive emotions and feelings towards the store and improved trust, loyalty, and willingness to pay more.

In the context of small retailers, research proposed that understanding the local market and consumers can be viewed as their competitive strength. The intricate knowledge about the consumers, their buying patterns, and preferences enabled the retailers to establish enduring relationships with the consumers. Babin et al. (2021) asserted that personal connection was as meaningful as location, convenience, product availability, and store attributes. Elderly and poor consumers preferred these stores due to social and emotional bonds with the retailer. Aithal et al. (2023) stated that small retailers used social relationships and interactions with their consumers to improve value and satisfaction. Local stores were an integral part of the community and recognized as places of social interaction, so it was easy for retailers to understand consumers' behaviour. Rita et al. (2023), in their study on small retailers in the UK and Spain, find that personalized customer advice, word-of-mouth marketing, informal and personal relationships and local community embeddedness were essential aspects of local retailers' marketing strategies. These studies have emphasized the importance of the interpersonal relationships between consumers and retailers in enhancing trust and emotional attachment. Our fourth and fifth hypotheses are:

H5. Consumer-retailer emotional attachment has a significant influence on local store loyalty.

H6. Word-of-mouth is a significant mediator between consumer-retailer emotional attachment and local store loyalty.

Giovanis et al. (2019) posit that the retailer-consumer relationship was directed toward maintaining close relationships with consumers, personalized selling, and understanding their needs to serve them efficiently. Relationship with consumers is an ongoing process that deepens with continued interaction (Risberg & Jafari 2022). Similarly, Rita et al.'s (2023) research on food retail consumers found that salespersons' behavior impacted consumer satisfaction and led to cognitive and affective trust. Retailer empathy and personal relationships led to emotional attachment and positive word-of-mouth. Zhang et al. (2022) suggested that face-to-face interactions at retail stores could reduce consumer loneliness and satisfy their social needs. Retail stores offered opportunities to interact with retail staff and other consumers. Social interaction helped build enduring relationships and communicate with the consumer. Zhang et al. (2022) discussed the importance of information sharing with the consumer. It enabled retailers to engage consumers and build trust and attachment. The attachment with the retailer led to positive word-of-mouth. Trust could help develop loyalty and strengthen emotional bonds.

It was necessary to establish collaborative communication that facilitated informal relationships, a high degree of interaction, and an easy flow of information fostering trust. Kaur and Thakur (2021) emphasized the role of social networks to build a relationship with consumers. CRM technology at the store helped understand consumers, build relationships and share information. In a recent study on IT adoption by small retailers, Cho and Taskin (2021) argue that adopting technology to interact with

consumers improved competence, e-service efficiency, and the ability to adapt to market needs quickly. It enabled retailers to understand consumers, improve service and product delivery, and build relationships.

In examining the research on retailer communication and relationship strategies post-pandemic, it was apparent that information sharing during lockdown became critical for assuring consumers and building trust. Islam et al. (2021) posited that social media became a strategic tool for sharing product availability information and helped build consumer relationships. The uncertainty and fear due to COVID-19 affected purchase behavior, and many retailers started using social media to connect with their consumers. However, Naeem (2021) argued that misinformation on social media platforms led to panic and fear of the unavailability of food items. This fueled stockpiling and panic buying. We hypothesize the relationships as follows:

H7. Word-of-mouth significantly mediates interpersonal likability and local store loyalty relationship.

H8. Information sharing has a significant moderating influence on word-of-mouth and local store loyalty relationship.

Methodology

Data collection and sample

The data collection was executed in two stages. In the first stage, a pilot test was conducted for finalizing the questionnaire items. An online self-administered questionnaire was used for data collection from different cities across India. Local storeowners were contacted and requested to provide a list of their customers so they could be contacted through social media platforms. A total of 850 online invitations were sent during two months, of which 624 respondents responded, but only 572 could be used for the analysis. The majority of the respondents were male (62%), married (67%), aged between 25 to 40 (64%), graduates (39%), postgraduates (48%) and they belonged to tier I and tier II cities (66%). The details of the measurement scale are shown in Table 1. A 7-point Likert scale with seven (7) denoting strongly agree to one (1) denoting strongly disagree was used.

Table 1: Constructs, Scale Items and Descriptive Statistics

Constructs and scale items	Mean	SD	Loading
<i>Consumer-Retailer Emotional Attachment ($\alpha=.83$, $CR=.79$, $AVE=.67$, $MSV=3.13$, $ASV=.22$) (adapted from Kaur & Thakur 2021)</i>			
Purchasing from (local retailer name) makes me feel good.	3.32	1.13	.72
Shopping from (local retailer) makes me very happy.	3.40	1.24	.71
I love shopping from (local retailer name).	3.13	1.18	.69
Purchasing from (local retailer name) is a pure delight.	3.25	1.09	.71
I am passionate about shopping from (local retailer name).	3.14	1.04	.74
Shopping from (local retailer name) reminds me social distancing and I love the beautiful experience.	3.28	1.15	.73
If I were describing myself, (local retailer name) would likely be something I would mention.	3.61	1.40	.78
If someone ridiculed shopping without social distancing (local retailer name), I felt irritated.	2.93	1.17	.70
If someone praised shopping from (local retailer name), I would feel somewhat praised myself.	3.19	1.08	.73
Probably people who know me might sometimes think of me shopping from (local retailer name) when they think of me.	3.14	1.11	.69
I would feel sorry if (local retailer name) stopped its operations.	2.89	1.23	.67
<i>Interpersonal Likeability ($\alpha=.85$, $CR=.78$, $AVE=.618$, $MSV=3.14$, $ASV=.23$) (adapted from Laato et al. 2020)</i>			
I really like being around shopping from (grocery retailer name) with social	3.12	1.07	.72

Constructs and scale items	Mean	SD	Loading
distancing.			
Even without shopping at (local retailer name), I would choose to be around service employees working at (local retailer name) with social distancing.	2.97	1.12	.77
The employees at local store (local retailer name) are kind and helpful.	3.63	1.30	.80
I enjoyed talking to store staff (local retailer name) with social distancing.	3.27	1.19	.76
I really like being around local retail store (local retailer name) with social distancing.	3.19	1.05	.75
I was able to see my acquaintances at the store (local retailer name) because it was quite safe.	3.60	1.16	.72
I can safely discuss about my experience (local retailer name) with other consumers.	2.99	1.13	.74
Overall, the store (local retailer name) atmosphere was friendly.	3.15	1.31	.78
<i>Word-of-Mouth ($\alpha=.84$, $CR=.79$, $AVE=.63$, $MSV=3.24$, $ASV=.22$) (adapted from Mukerjee 2020)</i>			
I have recommended (local retailer name) to lots of people because it was safe.	2.47	1.14	.77
I "talk up" (local retailer name) to my friends because it was following social distancing norms.	3.62	1.20	.72
I try to convince friends to do their shopping at (local retailer name) because it was safe.	3.61	1.18	.68
I praise the safety and other services of the local retailer (local retailer name).	2.95	1.16	.72
I share information about availability of products at the local store because it was safe at (local retailer name) with my friends.	3.52	1.04	.75
<i>Information Sharing ($\alpha=.86$, $CR=.81$, $AVE=.61$, $MSV=3.15$, $ASV=.21$) (adapted from Li et al. 2020)</i>			
The store (local retailer name) communicates about various discounts on a regular basis via WhatsApp and text messages.	3.41	1.12	.78
I continuously get information about promotions (local retailer name) through mobile text messages.	3.30	1.23	.73
My local store (local retailer name) has created a WhatsApp group where information about products was shared.	2.84	1.15	.71
The local store (local retailer name) shares information about seasonal discounts through WhatsApp and text messages.	3.37	1.08	.67
The store (local retailer name) provides information on promotional campaigns run by companies through text messages or WhatsApp.	3.39	1.11	.70
Price related discounts are frequently communicated using WhatsApp and text messages.	2.96	1.14	.72
The store (local retailer name) employees communicate about various prices related discounts through WhatsApp and text messages.	3.17	1.37	.74
Company related product offers and discounts are communicated frequently through WhatsApp and text messages.	3.19	1.16	.78
The local store (local retailer name) provides me information related to availability of products at the store when product is back in stock.	3.26	1.09	.70
The local store (local retailer name) provides me personalized information about its promotional offers through WhatsApp and text messages.	3.81	1.12	.72
The local store (local retailer name) shares pictures of products on WhatsApp.	3.16	1.19	.69
<i>Local Store Loyalty ($\alpha=.85$, $CR=.79$, $AVE=.67$, $MSV=3.14$, $ASV=.23$) (adapted from Rita et al. 2023)</i>			
I was ready to pay slightly more for products if I can buy them locally with safety measures in place.	3.30	1.14	.75
I prefer shopping outside my retail area before looking at what they offer locally.	3.43	1.22	.74

Constructs and scale items	Mean	SD	Loading
I shopped at local stores because it was important to help local people in need.	3.17	1.15	.78
I shopped locally because it was convenient.	3.26	1.04	.72
I shop locally to support local retailers.	3.15	1.10	.73
Shopping at local stores was an enjoyable experience with social distancing.	3.27	1.13	.66
I will increase my interest in local stores when more products are available through them.	3.63	1.30	.72
Because I was more familiar with local stores, I preferred shopping locally.	2.94	1.18	.74
I shopped at local stores even when product variety was poor.	3.18	1.27	.79
I was loyal to my local shopping area for safety reasons.	3.51	1.19	.78

Common Method Bias (CMB)

Before data analysis, the Mahalanobis distance criterion was considered (*Mahalanobis's D (31)*>44.85, *p*<.00) and five outliers were eliminated (Hair et al. 2021). Harman's single-factor technique was employed. The first factor explained only 30 percent of the total variance, much below the 50 percent threshold level, so CMB is acceptable for the present research.

Reliability and Validity

The measurement model was evaluated. The $\chi^2/df=3.71$ is within limit; the RMSEA=.05, CFI=.93, NFI=.95, GFI=.96 and AGFI=.92 meet the recommended criteria. The structural model fit indices were also found to be within the acceptable range ($\chi^2/df=3.47$, CFI=.92; NFI=.95, GFI=.96 and AGFI=.94) (see Table 2 and 3).

Table 2. Correlations and Discriminant Validity

Construct/ Variable	1	2	3	4	5	6	7	8	9	10	6	7	8	9	10
1 Gender	1														
2 Marital Status	-.00	1													
3 Age	-.03	.06	1												
4 Education	-.02	.08	.10	1											
5 Type of City	.04	.07	.12*	.05	1										
6 Consumer-Retailer Emotional Attachment	.03	.10	.07	.10	.05	.81									
7 Interpersonal Likeability	.08	-.02	.06	.13*	.11	.64**	.78								
8 Word-of-Mouth Information Sharing	.07	.12*	.04	.11	.12	.59**	.62**	.79							
9 Local Store Loyalty	.05	.08	-.02	.12	.09	.54**	.56**	.65**	.78						
10	.00	.09	.05	.11	.07	.47**	.45**	.58**	.55**	.81					

**Correlation significant at .01 level; Discriminant validity (square root of AVE) values given diagonally (in bold).

Table 3 reports that the composite reliability ranged from .79 to .84, the Cronbach alpha value ranged from .83 to .86, the average variance extracted (AVE) value was more than .60, and all the factor loading values were more than .60. As the square roots of AVE values are more than the correlation values (Hair et al. 2021) and average shared squared variance (ASV) and maximum shared squared variance (MSV) are less than AVE values, so discriminant validity was established. In addition (see Table 3), the Heterotrait-Monotrait ratio criterion (threshold below .85) is employed to confirm discriminant validity (Henseler et al. 2015).

Table 3. Effects (direct, indirect, total) and Hypotheses Testing

Hypotheses	Structural relationship	Std. coefficient (t-test)	Direct	Indirect	Total	Results
H1	Consumer-Retailer Emotional Attachment → Word-of-Mouth	.77 (9.58)	.77**	-	.77**	Supported
H2	Interpersonal Likeability → Word-of-Mouth	.65 (9.61)	.65**	-	.66**	Supported
H3	Word-of-Mouth → Local Store Loyalty	.39 (6.02)	.39**	.08*	.47**	Supported
H4	Interpersonal Likeability → Local Store Loyalty	.26 (11.81)	.18**	.04*	.22**	Supported
H5	Consumer-Retailer Emotional Attachment → Local Store Loyalty	.22 (11.79)	.18**	.08*	.26**	Supported
H6	Consumer-Retailer Emotional Attachment → Word-of-Mouth → Local Store Loyalty	Indirect effects (.08)	LLCI (.06)	ULCI (.12)	$p < .01$	Partial Mediation
H7	Interpersonal Likeability → Word-of-Mouth → Local Store Loyalty	Indirect effects (.07)	LLCI (.06)	ULCI (.10)	$p < .01$	Partial Mediation

Regression			
Independent variable	Dependent variable		
Variables and steps	β	Adj- R^2	ΔR^2
Step 1: Main effects of predictor variable Word-of-Mouth	.28*	.16	.17
Step 2: Moderating variable Information Sharing	.49*	.38	.24
Step 3: Interaction Word-of-Mouth*Information Sharing	.41*	.45	.08

** $p < .05$, * $p < .01$ LLCI=Lower Level Control Interval, ULCI=Upper Level Control Interval

Hypotheses Testing

Hypothesized relationships are shown in Figure 1.

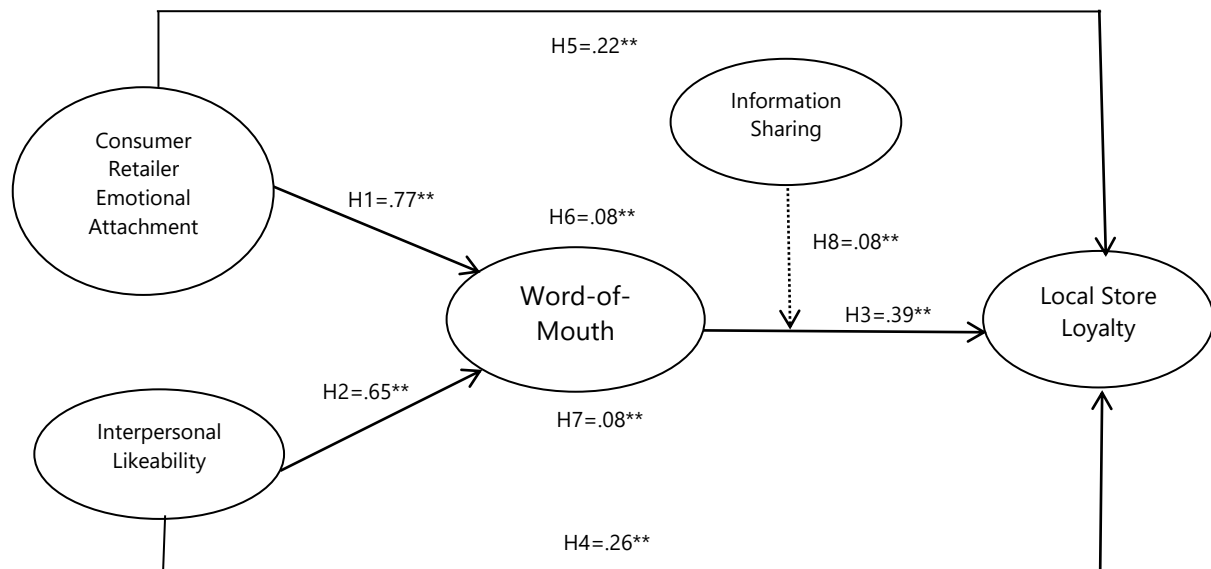


Figure 1. Structural Model

The findings reveal that consumer-retailer emotional attachment ($\beta = .77, p < .01$) and interpersonal likability ($\beta = .65, p < .01$) had a significant impact on word-of-mouth, hence supporting H1 and H2. The findings suggest a positive influence of word-of-mouth on local store loyalty ($\beta = .39, p < .01$; H3 is accepted), a

positive influence of interpersonal likability on local store loyalty ($\beta=.26, p<.01$; $H4$ is accepted) and a positive impact of consumer-retailer emotional attachment on local store loyalty ($\beta=.22, p<.01$; $H5$ is accepted).

Mediation and Moderation

According to Hayes's (2018) recommendations, the bootstrapping method was used to evaluate the mediation effect of word-of-mouth. At the 95 percent confidence level and bootstrap, iteration was set to 5000 resample. The p -values of the mediating variables confirm that word-of-mouth partially mediates the association between the predictor and a criterion variable (Hair et al. 2021). The reasoning behind partial mediation was that both the paths (direct and indirect) were significant (Hayes 2018). The findings confirm that word-of-mouth mediated the relationship between consumer-retailer emotional attachment and local store loyalty ($H6$) and between interpersonal likability and local store loyalty ($H7$).

The results of the interaction between word-of-mouth and information sharing on local store loyalty were found to be significant ($\beta=.39, p<.01$), which shows that seven percent of the variation in local store loyalty was due to word-of-mouth and information sharing ($H8$ was accepted) suggesting that information sharing acts as a moderator.

Discussion

The earlier studies on small retailers focused on convenience, accessibility, customized assortment, community engagement, and location as essential factors in predicting loyalty (Aithal et al. 2023, Grewal et al. 2021). The current study adds to small retailer research by examining the importance of interpersonal likability, customer-retailer relationships, and information sharing regarding product availability, promotions, and retailer services during COVID-19. It examined the influence of consumer-retailer emotional attachment and interpersonal likability (encompassing consumers' attachment to the retailer, staff, and other shoppers because they are part of the local community) on word-of-mouth. The small retailer-customer relationships were revisited in the context of post-COVID-19. The findings reveal that customer-retailer emotional attachment and relationships were critical in generating positive word-of-mouth. It was further strengthened by information sharing by retailers during COVID-19 and led to improved store loyalty. Information was shared through mobile phones, WhatsApp, and text messages to communicate with customers. An important aspect of attachment was familiarity with local retailers and the easy availability of necessities at these nearby stores. The uncertainty and concern for safety have made shoppers avoid crowded malls and shopping centers. As the lockdown affected the timely delivery of products ordered from online shopping websites, shoppers depended on local stores for household replenishments.

The interpersonal relationships with the local retail stores, employees, and other shoppers created an emotional bond during uncertain times and continued post-COVID. The familiarity with the local retailer facilitated personalized communication and interaction, which has remained in place. The critical role of information post-COVID-19 times enhances customers' reliance on the retailer to meet their requirements. The local stores have information about the residents, their shopping habits, and product preferences, and post-pandemic, this information has become even more critical in serving customers. The local retailer's proximity to the customers enables them to offer contactless home delivery, credit facility, customized services, and other help to the customers. These factors are important as customers still avoid crowded stores, preferring home delivery.

The long-term relationships and familiarity with local store personnel and other shoppers frequenting the store created commitment and trust. This was strengthened by the retailer's efforts to share information about product availability during lockdown periods and disrupted the supply of products. Earlier research argued the importance of community embeddedness, social relationships, reciprocity, and commitment towards the development of the local community (Giovanis et al. 2019). The present research

findings add to the existing body of knowledge by suggesting that interpersonal likability, social interaction, and emotional attachment led to word-of-mouth, and loyalty became all the more critical during the pandemic. The uncertainty, anxiety, and safety concerns during COVID-19 led customers to rely on the services of local stores as they transmitted familiarity. This continues post-COVID-19. The stores are aware of the preferences of the community members, stock relevant products and share information through mobile networks as they did during COVID-19.

During the pandemic, lockdown restricted customers' out-shopping behavior, and they had to depend on a limited assortment mix of local stores or e-commerce. The disruption in transport and logistics services affected online delivery as products were stuck in the supply chain. The daily grocery and dairy replenishments were readily available from local stores. These stores had access to local dairy suppliers, fresh fruits, and vegetables, enabling them to serve their customers during the pandemic. Information technology played a vital role in this endeavor by allowing retailers and customers to communicate. The findings support Cho and Taskin's (2021) and Islam et al.'s (2021) studies, emphasizing the importance of technology in improving retailer services. This research adds to these studies by suggesting that small retailer-customer communication was critical during the pandemic and continues to be so post-COVID-19. Customers' reliance on local stores post-COVID-19 to meet their daily grocery needs fostered trust and enhanced their relationships.

The customer's reliance on small retail stores with their limited assortment mix and understanding of the local community were critical factors for developing store loyalty. The retailers' proximity to the customers was the competitive strength in providing personalized services and interacting with them. Thus, even though as rudimentary as WhatsApp and text messages, technology has become a strategic tool for sharing information about product availability, prices, and stock-outs. Though these stores lacked good ambiance, assortment mix, and facilities, their strength lies in their knowledge of their customers. Customers' interaction with other local shoppers, salespersons, and retailers allows shoppers to socialize and seek reassurance.

Theoretical and Managerial Implications

Small Retailers and E-Commerce Collaborations

Amazon, Big Basket, and Flipkart have increased their reach in India's interiors, especially smaller cities, by leveraging the locational advantage of *Kirana* stores. During COVID-19, this initiative further gained momentum. Amazon started the endeavor a few years back to support small local retailers in selling their products online and thus reach a more significant customer segment. During the pandemic, Amazon exported \$3b in Indian products, created 300,000 jobs in a year, integrated several small local retailers, and enabled them to sell their products using Amazon's platform. Amazon has expanded its reach to smaller cities and villages by enabling small retailers to use its digital platform to manage their inventories and serve customers efficiently. As customers avoid organized retail with its multi-faceted facilities, broad assortment mix, and appealing store ambiance because of safety priorities, the unorganized neighborhood stores become essential in catering to the needs of local customers. Their competitive advantage lies in their understanding of the local consumers, product preferences, demographics, and ability to offer credit and customized services (Aithal et al. 2023). Local retail stores stock products according to the regional and local preferences of the community. The customized assortment mix reflects the market they serve. Retailers' knowledge about their preferences and buying behavior helps them use technology to share relevant information with customers. Product availability information and home delivery have become critical pillars during and after the pandemic.

E-commerce companies collaborate with local *Kirana* stores to offer fresh and varied product offerings. Although customers are increasingly using the online shopping websites of big retailers, product delivery gets delayed due to lockdowns and logistical problems. In this scenario, customers rely on local stores for product availability. Local stores have access to local suppliers who can purchase

products from nearby vendors, farmers, and household suppliers. This helps them in serving their customers with locally available products. For example, Swiggy, a food delivery company, has used its delivery agents to pick up groceries and medicines from local stores and deliver them to their customers in nearby residential areas. The company saw a drastic decline in food orders during the pandemic and decided to use its delivery agents or 'genies' to serve customers by picking orders from nearby stores. These new arrangements show that local *Kirana* stores will play a significant role in the future. With the pandemic slowly abating, customers are likely to prefer to order from local retailers with whom they share a long-term relationship and emotional attachment. As most small retailers are moving to a digital platform due to collaboration with online retailers, the consumers are likely to benefit in terms of service and product variety.

Small Retail Revisited

Kahn *et al.* (2018) argued that the retailing industry is transforming with the dominance of e-commerce firms, the growth of omnichannel, the use of technology to capture customer data, internet-savvy customers, and vertical integration to serve customers efficiently. The advent of the pandemic altered several strategies and presented challenges in developed and developing economies. Developed countries with strong Internet penetration evolved their retail structures to address customer concerns of security through options like buying online and picking up from local stores, home delivery from supermarkets, curbside pick-up of groceries (Kazancoglu & Demir 2021, Verhoef *et al.* 2023). However, in developing countries, the challenges were different. As the reliance on online shopping increased, technical glitches restricted accessibility in several regions. Growing concern for safety led customers to shop from neighborhood stores as these were conveniently located and stocked necessities.

The dominance of small retailers in India interests researchers and practitioners as socio-economic factors drive it. Retail evolution is customer-centric and primarily driven by retailers' motive to enhance the shopping experience. Research suggests small retailers lack resources and marketing expertise (Cho & Taskin 2021, Kannan 2020) and their competitiveness lies in emotional bonding and the long-term relationship with customers. The existence of *Kirana* stores challenges the notion of technology-driven modern retail formats by arguing that the development of retail structures is situation and customer-oriented. The pandemic has unleashed forces that will have a far-reaching impact on buying behavior. It has led to changes where shoppers prefer to buy from neighborhood stores, which provides assurance and comfort in uncertainty. The utility of *Kirana* stores rests on Kahn's (2018) premise that customers prefer to buy from stores they trust and offer superior value.

The changes in buying behavior post-pandemic have several implications for small stores as it allows them to integrate technology to communicate with customers. The Wheel of Retailing (Babin *et al.* 2021) suggests that retail institutions innovate and evolve. Retail institutions undergo stages of growth, maturity, and decline. New challenges offer opportunities for retailers to adapt and introduce services to remain relevant. During and post-pandemic, small retailers made changes to compete with organized retail by integrating and collaborating with e-commerce firms. Further, cooperative moves between logistic providers, retailers, and service providers may be the new retail trends. In India, the changes may herald a new era where organized retailers leverage the strengths of *Kirana* stores. Today's customers place value on safety and health. Due to economic uncertainty, the focus has shifted to buying essentials and household products rather than luxury items. Local stores festooned amidst congested residential areas provide access to daily necessities without travelling outside the residential areas.

It offers several alterations to the existing *Kirana* stores and sets the wheel for renovation in current strategies. A decade ago, e-commerce and organized retail were seen as forces that would swallow local *Kirana* stores, but post-pandemic times present a different picture. With their knowledge of local customers, small retailers offer customized products, along with trust and assurance. The concern for health, safety, and physical distancing has led them to use technology to communicate and interact. It has

triggered a retail revolution where e-commerce firms and small retailers leverage their competencies to serve customers. It offers local tradespeople and farmers opportunities to sell their wares in the local market by leveraging their in-depth understanding of local markets. Local stores with access to locally produced groceries, fruits, vegetables, and dairy products are a stable option.

Conclusions and Future Research Directions

The current study suggests that *Kirana* stores leverage their relational competencies to adapt to the current situation. The findings revealed the importance of emotional attachment, likability, and interpersonal relationships between customers and small retailers as antecedents to trust and positive word of mouth. The pandemic created stressful situations and brought several changes in shopper behavior. It suggests that customer-retailer relationships, trust, personalized services and safety concerns will continue to be the driving forces post-pandemic. It may be interesting to understand the role of social networks in improving retail communication, services, home delivery, and trust post-pandemic. The relevance of collaborations between *Kirana* stores and e-commerce companies in serving customers through a convenience store format may provide valuable insights. Research may be directed to understand changes in the service delivery model due to collaboration between *Kirana* stores and e-commerce firms.

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