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Original Research Paper

Management

DETERMINATION OF SHOPPERS' ATTITUDE TOWARDS MODERN RETAIL FORMATS IN INDIA

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ABSTRACT The burgeoning retail industry has brought a drastic change in terms of organized retail formats affecting the shopping behavior of consumers. The paper aims to investigate the preference of consumers towards different retail formats and to give an insight into the attitude of shoppers towards organized retail formats in India. Multistage convenience sampling technique was used and the area was divided into three regions: National Capital region, New Emerging Cities and Traditional cities. One way and two- way ANOVA was performed. Likert scale was used to rate the responses. The results showed that F-ratio was statistically significant w.r.t. consumer attitude and factors influencing organized retailing. The study concluded that the modern retail stores have high growth potential and there is a transformation in consumer preference towards modern retail formats. Moreover, the consumers are product specific in their store choice.

KEYWORDS : Organised retail formats, retail transformation, shopper attitude.

1.INTRODUCTION

The phenomenal growth in the retailing industry has brought a drastic change in terms of organized retail formats. This has ushered a revolution in shopping, thereby, affecting the shopping behavior of consumers. The major objective of the paper is to study the preference of consumers towards different retail formats in India. It endeavours to study the shoppers' attitude towards organized retailing. Many new formats which have emerged in the retail industry have transformed the total concept of shopping. Halan stated that organized retailing had huge growth potential. Retailing in India was still in its infancy but the conditions required for retail business were seen emerging in India. Kaul discussed retailing trends in Ahmedabad. She stated that the emergence of retail outlets was an indicator of the inherent potential of the city. The article also revealed the coming up of customers who were ready for a different kind of shopping experience. She illustrated that a retail store that opened in 1995 with a space of 2,800 sq. feet, had now expanded to an area of 12,000 sq. feet. Kaul further stated that the retail adventure was not only confined to the normal drivers of retail garments and accessories but saw a considerable growth of food and pharmaceutical retailing. Tanwar et al found that organized retail was projected to grow at 25-30 percent p.a., and touch the mark of $64bn by 2015. Further they stated that managing consumer attitude and innovation were the keys to stay afloat amid competition. The opportunities offered by young India exhibited a bright road for malls. The malls have changed the overall meaning of shopping, leisure and entertainment. Shim and Eastlick used the hierarchical value-attitude-behaviour model as the means to assess consumer attraction to regional malls. A stratified, random sample of 5,000 households was selected from 11 metropolitan states with large Hispanic populations. The findings revealed that both dimensions of personal values were significantly related to a favourable attitude towards the shopping attributes of a regional mall. The researchers concluded that the value-attitude-behavior hierarchical model could be applied not only to a specific patronage behavior (i.e. natural food stores) but also to a broad patronage behavior (i.e. regional shopping malls) that spans a wide range of product and service classes. Leszczyc and Timmermans stated that the retail industry had witnessed the emergence of several new retail formats such as specialty and department stores. Thus, consumers could choose between many different types of retail outlets. The authors looked at how consumers organized their shopping trips when faced with a large set of retail formats. The results suggested that the probability of choosing a particular shopping strategy rose in non-linear way with lower prices and lower parking fees, better assortment, more national brands, less travel time, and shorter check-out lines. Sample respondents preferred the multi-stop specialty/convenience store shopping strategy, while a single-stop trip to a combination store was the least preferred. The prevalence of the specialty/convenience store shopping strategy depended on the extent to which the specialty store could successfully effectuate lower prices for general merchandise and drugs. Severin et al investigated the extent to which models helping managers to make strategic decisions could be generalized across time and place. Data for shopping centre choice was collected from Canada, U.S.A. and Norway to assess spatial stability. The test results supported the hypothesis for spatial consistency of preferences. The test of stability over time showed no difference at analyzing retailing preferences, both the random component variance and the coefficients were unchanged in the four year period studied. The authors concluded that common attribute effects were remarkably stable for shopping centre choices over time and space and for supermarket choices over time.

2.Data and Research Methodology

A.DATA

In the present paper, data was collected during May-September, 2009. Structured questionnaires were distributed to 578 shoppers in major cities in the northern India with a response rate of 86.5% and thus, the sample size was 500 shoppers. Under multistage convenience sampling technique, firstly, the major states in North India were selected followed by major regions in these states and finally a certain number of shoppers were selected from these cities. Region wise sample size was: NCR (National Capital City- Delhi, Noida and Gurgaon)-150 shoppers, New Emerging Cities (Chandigarh, Mohali and Panchkula)and the Traditional cities (Ludhiana, Jalandhar and Amritsar)-175 shoppers respectively.

B.METHODOLOGY

Eleven product categories and six major retail formats were selected in the study. Mean, percentages, and standard deviation were calculated. To study variance, ANOVA was applied. Likert scale was used to study the level of agreement/disagreement on a symmetric agree-disagree scale for a series of statements.

3.RESULTS

Table No. 1 Distribution of respondents w.r.t. store choice for purchase of specific products.

Products	Nearby Shop	Dept.Store	Super Mkt.	Specialty Store	Shopping Mall	Conventional Mkt.
Grocery	268	73	20	99	30	10
%age	**53.60**	14.60	4.00	19.80	6.00	2.00
Packaged Food	50	238	70	90	32	20
%age	10.00	**47.60**	14.00	18.00	6.40	4.00
Toiletries	101	138	131	70	40	20
%age	20.20	**27.60**	26.20	14.00	8.00	4.00
Books/Music	30	52	30	258	80	50
%age	6.00	10.40	6.00	**51.60**	16.00	10.00
Footwear	30	9	30	269	132	30
%age	6.00	1.80	6.00	**53.80**	26.40	6.00
Clothing	22	5	50	210	173	40
%age	4.40	1.00	10.00	**42.00**	**34.60**	8.00
Toys	31	60	40	199	130	40
%age	6.20	12.00	8.00	**39.80**	**26.00**	8.00
Furniture & Furnishing	20	22	30	338	20	70
%age	4.00	4.40	6.00	**67.60**	4.00	14.00
Jewellery	10	0	30	380	60	20
%age	2.00	0.00	6.00	**76.00**	12.00	4.00
Confectionery	148	142	40	70	60	40
%age	**29.60**	28.40	8.00	14.00	12.00	8.00
Cosmetics	30	130	71	70	148	51
%age	6.00	26.00	14.20	14.00	29.60	10.20

A perusal of Table 1 shows that a 54% of the respondents purchased grocery from nearby shop, packaged food was mainly bought from departmental store (48%). Further, 51.6%, 53.8%, 42%, 67.6% and 76% shoppers purchased books/music, footwear, clothing, furniture and furnishing and jewellery respectively from specialty store. The analysis of the table shows that conventional market was the least preferred while specialty store were most preferred outlet.

Table No.2 Extent of agreement w.r.t. attitude regarding organized retail outlets.

Statements	Extent of Agreement			Overall Status	Overall Level
	Mean	SD	Mean %		
The products that these stores carry are relevant to me.	1.27	0.44	63.27	A	I
Look forward to visit these stores in future	0.51	0.64	25.51	A	II
Will probably visit these stores in future.	0.43	0.86	21.43	N	II
Interested in these stores.	0.41	0.88	20.41	N	II
Always look forward to visit these stores in future.	0.41	0.73	\ 20.41	N	II
The products that these stores carry are very important to me	0.35	0.66	17.35	N	II
No matter how often I visit these stores, I always look forward to coming back.	0.31	0.73	15.31	N	II
Intend to shop at these stores in future.	0.27	0.78	13.27	N	III
Fascinated by these stores.	0.24	0.77	12.24	N	III
Likely to say good things about these stores.	0.21	0.87	10.42	N	IV
Intrigued by these stores.	-0.02	0.71	-1.02	DA	IV
Curious about these stores.	-0.06	0.74	-3.06	DA	IV
Not very interested in these stores.	-0.16	0.96	-8.16	DA	IV
Very unlikely shopping at these stores in future.	-0.24	0.85	-12.24	DA	V
F-ratio	8.89***				
C.D.	0.1994				

A 5-point Likert scale (1 to 5: strongly agree/strongly disagree) was used to rate shoppers' attitude towards different outlets. The results (Table No. 2) indicated that respondents agreed that these stores carried relevant products and they look forward to visit these stores in future. Contrary to this, they were neither intrigued nor curious about these stores. Further, they disagreed that they were not very interested in these stores and were very unlikely to shop at these stores.

Table No. 3 Extent of agreement on different factors influencing store choice.

Factors		Nearby Shop	Dept Store	Super Mkt.	Specialty Store	Shopping Mall	Conventional Mkt	F-ratio	CD
Easy to find needed products	Mean	0.49	1.23	0.81	0.84	1.57	1.24	7.53***	0.3158
	SD	1.09	0.49	0.92	0.61	0.34	0.38		
Genuine prices.	Mean	0.38	1.11	0.99	0.79	0.98	1.16	8.11***	0.2937
	SD	1.16	0.52	0.54	0.94	0.51	0.44		
Convenient location	Mean	1.36	1.69	0.88	0.67	0.81	0.52	6.89***	0.1662
	SD	0.82	0.23	0.59	0.81	0.74	0.71		
Appealing atmosphere & décor	Mean	-0.34	1.31	1.24	1.09	1.59	0.84	10.74***	0.5467
	SD	1.03	0.42	0.49	0.39	0.38	0.46		
Merchandise good value for money	Mean	0.53	0.79	1.10	0.88	0.95	0.71	6.37***	0.2018
	SD	0.99	0.71	0.54	0.57	0.54	0.52		

Attractive merchandise display	Mean	-0.29	1.16	1.24	1.09	1.62	0.88	9.31***	0.4961
	SD	1.01	0.52	0.29	0.42	0.29	0.41		
Satisfaction with the store	Mean	0.33	0.64	1.37	0.97	0.99	0.64	8.67***	0.4113
	SD	1.11	0.84	0.51	0.49	0.51	0.59		
Modern- looking equipment	Mean	-0.43	0.27	1.31	0.84	1.14	0.33	10.92***	0.5698
	SD	1.16	1.36	0.53	0.53	0.41	1.19		
Physical facilities visually appealing	Mean	-0.51	0.45	0.59	0.68	0.86	0.56	7.68***	0.2374
	SD	0.97	1.23	1.13	0.91	0.56	0.61		
Latest products.	Mean	0.31	1.41	1.61	1.16	1.24	1.16	9.13***	0.5201
	SD	1.21	0.74	0.23	0.39	0.31	0.49		
Shopping under one roof.	Mean	-0.59	-0.29	1.54	0.29	1.72	0.96	11.62***	0.4498
	SD	0.87	1.13	0.31	1.17	0.13	0.51		
Convenient parking	Mean	-0.11	0.26	1.69	-0.21	1.56	0.79	9.86***	0.3462
	SD	1.28	1.19	0.19	1.24	0.29	0.59		
Availability of non-seasonal products.	Mean	-0.39	0.54	1.09	0.43	1.13	0.71	8.54***	0.4092
	SD	1.11	0.98	0.34	1.01	0.34	0.62		
F-ratio		**5.66*** **	**4.69*** **	**6.13*** **	**5.09*** **	**4.98*** **	**2.39** **		
C.D.		**0.1754**	**0.2114**	**0.2327**	**0.1825**	**0.2456**	**0.1245**		

Table No. 3 shows results of two-way ANOVA. $F_{0.01}$ and CD between means scores for the retail formats demonstrated that the observed differences among the formats were statistically significant and not due to simple random chance and all the factors influenced store choice.

4.CONCLUSION

The study concludes that there is a shift in consumer attitude towards modern retail formats. Store choice was product specific and specialty stores have a high growth potential. The study provides scope for further research in smaller towns and rural areas.

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