



## Shopper's Reaction To Modern Retailing Systems In An Evolving Apparel Market

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### ABSTRACT

*The Indian retail market is going through a revolution. Increasing urban demographics, rapid development of shopping malls, emerging breed of brand conscious consumers, and various influences from the western world are changing the face of the Indian retail industry. The store choice behaviour indicates the consumers' reaction regarding the selection of the retail store. Since there are so many factors leading to select the store in apparel retailing, the present study confine to nine factors namely Ambience and facilities, perceived risk, staffs, convenience and access, entertainment, brand spread, speciality outlet, service and parking. The consumers are asked to rate these variables at five point scale. The sampled consumers for the present study was 400 consumers. The number of customer included for the analysis were grouped in to Small retailer (Group I), Medium retailer (Group II), and Large retailer (Group III).*

**Keywords : 1.Apparel market, Retailers, Consumers, Store choice, Service quality**

### Introduction

India's emerging economy is one of the fastest growing in the globe. The GDP of India is expanding at 7.5 per cent annually, and the potential for further growth is forecasted to be 12 per cent (Pralhad, 2007). This rise in GDP, a high-growth rate, along with the increasing spending power of Indians, is leading to the phenomenon of consumerism. The Indian retail market is going through a revolution. Increasing urban demographics, rapid development of shopping malls, emerging breed of brand conscious consumers, and various influences from the western world are changing the face of the Indian retail industry. In the world which is mainly composed of an aging population, 54 per cent of Indian population is below 25 years of age. Nearly, 30 million Indians have a disposable income of more than US\$30,000. This number is expected to rise at an average of 8.5 per cent per year until 2015 (Biswas, 2006). There has been a growth not only in the number of nuclear families, but also in the number of working-women. Along with the increase in salaries, these changes have increased the consumer spending on apparel significantly. Apparel is now the second largest consumption category in malls (Apparel retail: Labeling the Indian Market, 2006). The increased spending on clothing may be driven by the new comfort level with the use of credit cards. About 45 per cent of the credit card spending is contributed by shopping for clothing, jewelry, and eating out (Apparel retail: labeling the Indian Market", 2006). About 20 per cent of Indians preferred shopping for textile and apparel over food. In comparison, internationally, only 28 per cent respondents went shopping for entertainment while 26 per cent did not ('RVG vision', 2006). In every way, the Indian consumer is ready for new retail formats, new brands and new price points.

#### Objective of the Study

The objective of this study is to identify, at a macro level, the

drivers of store choice among consumers towards apparel retail market in India.

#### Conceptual Frame Work of the Study

It is imperative for Indian businesses to understand changing shopping behaviour among consumers, especially with regard to their preferred points of purchase. With growth in disposable incomes and improving infrastructure, consumers have a wide choice of stores where they can choose to shop. It is therefore, necessary for retailers to understand shoppers' reactions and to attract customers residing beyond the, hitherto considered, catchment areas around their stores. Eventhough, the factors leading to choose the retail stores are too many, the present study confine to nine factors namely Ambience and facilities, perceived risk, staffs, convenience and access, entertainment, brand spread, speciality outlet, service and parking. The relevant variables are drawn from the review of previous studies.

#### Sampling Procedure

The shoppers were selected from selected retail stores. The sampled consumers for the present study came to 400 consumers. The number of customer included for the analysis were grouped in to Small retailer (Group I), Medium retailer (Group II), and Large retailer (Group III). The responded consumers in the above three categories are 90, 104 and 206 consumers respectively.

#### Analysis And Findings

In the present study, one way analysis of variance has been used to find out the association between the profile of consumers and their view on various aspects related to store choice behavior of the consumer. The results are shown in Table 2.1 and 2.2. The reliability of the variables included in each concept developed in the present study have been tested by the Cronhach alpha. In the present study, the CFA had been used to test the reliability and validity of various variables included in each constructs related to store choice behavior of consumers. The results are shown in Table 2.3.

Table 2.1 Consumers' view on variables in Store Choice Behaviour

Sl. No.	Variables in Store Choice behavior	Mean score among the consumers			F-statistics
		Group I	Group II	Group III	
<b>I Ambience and Facilities</b>					
1.	Good ambience	3.0816	3.3886	3.9144	3.1446*
2.	Better lighting and layout	2.9933	3.2042	3.8556	3.2865*
3.	Stylistic store	3.1144	3.1518	3.9027	3.0242*
4.	Nice display and good frontage	3.0145	3.0996	3.8511	3.0117*
5.	More varieties and brands	2.8844	2.9798	3.6886	3.0044*
6.	Offering price and choice	2.7146	3.0226	3.7114	3.2965*
7.	Recommend by all	2.6066	3.3088	3.8146	3.0144*
8.	Stores give prestige	2.7334	3.2667	3.6997	3.1886*
<b>II Perceived risk</b>					
1.	Store performs as expected	3.4466	3.6884	3.9945	1.8543
2.	Good quality	2.6673	2.9117	3.8262	3.2919*
3.	Reliable	2.8899	2.6568	3.7347	3.0667*
4.	Risk free	3.0661	3.2517	3.8189	3.0218*
5.	Easy available	3.1447	3.0886	3.7996	2.3497
6.	Value for money	3.0245	3.2506	3.8443	3.1409*
<b>III Staffs</b>					
1.	Staffs coming	2.8447	3.2889	3.9144	3.2446*
2.	Efficient staffs	2.9018	3.1097	3.8087	3.1881*
3.	Helpful staffs	2.9904	3.2243	3.9408	3.2994*
4.	Trust worthy salesmen	3.0149	3.2039	3.8337	3.0446*
<b>IV. Convenience and Access</b>					
1.	Takes order on phone	3.8844	3.6087	3.0887	3.1947*
2.	Provided out of stock products	3.0667	3.2668	3.6677	2.3393
3.	Teamness to the work place	3.8049	3.3341	3.1144	3.0214*
4.	Easy access to all	3.8944	3.2144	3.0097	3.2866*
5.	Open on weak ends	3.8496	3.1173	3.2445	2.6887

\* Significant at five per cent level.

Table 2.1 : The highly viewed variable in Ambience and facilities among the group I and II consumers is 'stylistic store' and 'good ambience'. Among the group III consumers, it is 'good ambience'. The significant difference among the three group of customers have been noticed in the case of all eight variables. In the case of Perceived Risk, the significant difference among the three group of consumers have been noticed in the case of reliable, 'risk free and good quality' and 'value for money' since their respective 'F' statistics are significant at five per cent level. In the case of Staffs, the significant differences among them are noticed in the case of all four variables included in staffs. Regarding the perception on variables in Convenience and access, the significant differences among the three group of consumers have been noticed in the case of three variables out of five variables since their respective 'F' statistics are significant at five per cent level.

Table 2.2 Consumers' view on variables in Store Choice behaviour

Sl. No.	Variables	Mean Score among consumers			F-Statistics
		Group I	Group II	Group III	
<b>V Entertainment</b>					
1.	Store breaks monotony	2.3667	2.8183	3.7767	3.1144*
2.	Store is stress buster	2.4558	2.9969	3.8033	3.6968*
3.	Store is time pass and window	2.6069	3.0144	3.6011	3.2554*
<b>VI Brand Spread</b>					
1.	Brands of my choice	3.0441	2.9942	3.8143	3.0144*
2.	State of all brands	2.9443	3.0349	3.7779	3.0099*
3.	Coverage of national and international brands	2.6646	3.2164	3.8048	3.3994*
<b>VII Speciality Outlet</b>					
1.	Specialised outlet	2.6644	3.0114	3.9193	3.8445*
2.	Authorized outlet	2.7348	3.2549	3.8584	3.3099*
<b>VIII Service</b>					
1.	Fast service	2.8084	3.2997	3.6604	3.1082*
2.	Response on replacement	3.4446	3.0446	3.3889	0.6679
3.	Showing of varieties	2.9117	3.1173	3.8084	3.2547*
4.	Professional service	2.4099	3.2141	3.9227	4.1669*
5.	Management of the crowd	2.6677	3.3089	3.8145	3.3868*
6.	Personal Care	3.8811	3.4511	3.8083	0.3991
<b>IX Packing</b>					
1.	Enough packing	2.4408	3.0224	3.6677	3.3884*
2.	Systematic packing facilities	2.6511	3.2667	3.8244	3.4082*

\* Significant at five per cent level.

Table 2.2 : Under Entertainment factor among the group I and II consumer, it is influenced by 'store is a time pass and window'. In group III consumers, it is 'store in stress buster'. The significant difference among the three group of consumers have been noticed in the case of all three variables in entertainment. In Brand spread, the significant differences among the three group of consumers have been noticed in all three variables in brand spread. In the case of Service the group I and group II consumers are influenced by 'personal care'. Among the group III consumers, it is 'professional service'. The significant difference among the three groups of consumers has been noticed in four. In Packaging, the significant difference among the three group of consumers have been noticed in all two variables in packaging since their respective 'F' statistics are significant at five per cent level.

Variables in SCB	Number of variables	Range of standardized factor loading	Range of composite reliability	Cronbach alpha	Average variance extracted
Ambience and facilities	8	0.2196*-2.4597*	0.8011	0.8336	58.42
Perceived risk	6	0.8664-0.6882	3.8087*-2.6871*	0.7314	75.93
Staff	4	0.8339-0.6917	3.6641*-2.7314*	0.7019	73.83
Convenience and access	5	0.8802-0.6508	3.9104*-2.6617*	0.7243	76.68
Entertainment	3	0.8718-0.6667	3.8334*-2.7318*	0.7502	77.39
Brand spread	3	0.9028-0.6703	4.0117*-2.8441*	0.8133	84.41
Specialty outlet	2	0.8011-0.6554	3.3084*-2.6011*	0.7149	74.18
Service	6	0.8949-0.6844	3.9944*-2.6073*	0.7734	80.17
Packing	2	0.8409-0.6674	3.5943*-2.8012*	0.7645	0.7969

\* Significant at five per cent level.

Table 2.3 : The standardized factor loading of the variables in each SCB are greater than 0.60 which shows the content validity. The 't' statistics of the standardized factor loading of the variables in SCB are significant at five per cent level which reveals the convergent validity. Cronbach alpha of each SCB is greater than 0.60 which shows the internal consistency. The analysis indicates that the included variables in each SCB explain it to a reliable extent.

**Implications And Conclusions**

In the present study, consumers in apparel retailing are classified into small retailing (group-I), consumers in medium retailing (group-II) and consumers in large retailing (group III). The group III consumers are dominating. The included variables for the study on store choice behaviour of consumers in apparel markets considered were ambience and facilities, brand spread, specialty outlet and packing facilities. The significant difference among the three group of consumers have been noticed in seven factors out of 9 factors in store choice behaviour. The significantly associating profile variables in store choice behaviour is age, occupation, personal income and family income. The consumers in large retailing are giving more weightage on these factors compared to other consumers. Regarding the retail service quality factors, the negative service quality gap is seen among all groups of consumers. The implications of the above are critical since they directly suggest that customers in a developing market such as India prefers new store formats emerging in the market. The evolution of consumer demand for new service dimensions is partly driven by the nature of purchases. However, like any new product being launched in the market place, new service concepts in retailing will evolve over time with consumers gaining exposure and developing preferences about newer service facilities.

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