



A Study On Consumer's Criteria & Preference For Purchasing Their Requirement From Organized Retail Market In Ahmadabad City.

* Dr. Nishith Bhatt ** Bhavesh Parmar

* Reader, S.K.School of Business Management, Hemchandracharya North Gujarat University, Patan

** Assistant Professor, Department of Business Management, S.P.College of Engineering, Visnagar

ABSTRACT

This paper examines consumers' criteria & preference for purchasing their requirement from organized retail market. The preferences are assessed in the dimensions of store location, Availability of goods, and convenience of store. Product attributes and its dimensions include product quality, price and merchandise. In this study, customer preference is considered as choice & selection of store as well as purchasing behaviour of consumer towards a organized retail store. The research suggest that various criteria for selecting organized retail store. The . Store attributes such as service quality and convenience of store and product attributes such as product quality, price and availability of new products show significance towards customer loyalty.

Keywords : Store preference, product attributes, shopping attributes, Organized retailing

Introduction

India's retail industry accounts for 10 percent of its GDP and 8 percent of the employment to reach \$17 billion by 2010. There are about 300 new malls, 1,500 supermarkets and 325 departmental stores being built in the cities very soon. A shopping revolution is ushering in India where, a large population between 20-34 age groups in the urban regions is boosting demand by 11.1 percent in 2004-05 to an Rs 23,308 purchasing power.

India, the land of 15 million retailers, most of them owning small outlets, we also have a modern retail flourishing like never before. There is little room for conflict as evidenced from the fact that India presents a unique case of consumption-driven economy: while the US retail sector is under recession, where supply clearly outstrips demand, India confronts inflation, where Industry and retailers are as yet unable to provide what the consumer demands.

Over the last few years Indian retail has witnessed rapid transformation in many areas of the business by setting scalable and profitable retail models across categories. Indian consumers are rapidly evolving and accepting modern retail formats. New and indigenized formats such as departmental stores, hypermarkets, supermarkets, speciality and convenience stores, and malls, multiplexes and fun zones are fast dotting the retail landscape.

Shopping motives of the people

It has been suggested that consumer shopping activities are influenced by personal and social.

Personal motives:

1. Role playing: - shopping activities are learning behaviors and are expected or accepted as a part of one's position or role, such as mother or house wife.
2. Division: - shopping can offer a division from the routine of daily life and is a form of recreation.
3. Self-gratification:- shopping may be motivated not by the expected utility of consuming, but the utility of their

buying process itself. Thus, emotional states or moods may explain why or when someone goes shopping.

4. Learning about new trends: - shopping provides consumers with information about trends and movement and product symbols reflecting attitudes and life cycle.
5. Physical activity: - it involves considerable amount of exercise.
6. Sensory stimulation- Shopping can provide sensory benefits such as looking at and handling merchandise, listening to the sounds and smelling scents.

Social Motives

1. Social experience outside home: - Shopping can provide opportunities for sacking new acquaintances, encounters with friends, or just 'people watching'.
2. Communication with other similar interest: - it provides opportunities for interactions with others consumers or sales people.
3. Peer group attraction: - certain stores provide a meeting place where members of peer group may gather.
4. Status and authority: - Shopping may provide an opportunity to attain status and power by being waited.
5. Pleasure bargaining: - Shopping may offer the enjoyment of gaining a lower price through bargaining comparison shopping or visiting special cells.

Retail Image dimensions

To measure the image of a retail store of shopping centre, it is essential to identify and aggregate the relevant customer attitudes. Lot of work on factors influencing customer's attitudes toward store in terms of store characteristics has been done in the west but it is an emerging field in the developing countries. The most comprehensive presentation is Fisk's 'conceptual model' in which he summarizes store qualities as a store dimensions. The dimensions can be used to identify relevant attitudes and assist in the development of measurement instruments for a particular retail stores

Table: Department store image, Source: Chetan Bajaj,Rajnish Tuli,Nidhi V Shrivastava(2006)“Retail Management”Page: 243, Oxford University Press. New Delhi.

Dimensions	Determinants
Local convenience	Access route Traffic barrier Travelling time Parking availability
Merchandise suitability	Number of brands stocked Quality of line Breadth of assortment Depth of assortment Number of outstanding department in the store
Value for piece	Piece of a particular item in a particular store Piece of a particular item in another store Piece of another item in the same store Piece of same item in the substitute store Trading stamps & discounts
Sales effort & store services.	Courtesy of sales clerks Helpfulness of sales clerks Reliability & usefulness of advertising Billing procedures Adequacy of credit arrangements Delivery promptness & care Eating facilities
congeniality	store layout store décor merchandise displays class of customers store traffic & cognition
post-transaction satisfaction	satisfaction with good in use satisfaction with returns & adjustments satisfaction with price paid satisfaction with accessibility to store

Literature review

Store choice

The study of consumer's preference for organized retail store choice has been an important area of research in retailing for last couple of the year in India. The literature shows the number of research in the area of store choice. The shopper is more likely to visit the store with the lowest total shopping cost. (Bell, Ho and Tang, 1998) further they research on shoppers perceived utility and the store image in making the store choice. However How store environment cues influence consumers' store choice decision criteria, such as perceived merchandise value and hopping experience Store choice has also been seen in the context of the risk reduction strategies of the shoppers In addition work on store choice has also been done on the role of situational factors and the task-store attribute relationship. (Baker, Parasuraman, Grewal, and Voss, 2002). In store choice have however pointed out the primacy of store location as the key drivers of store choice.(Arnold, Oum and Tigert, 1983) The Kahn and Schmittlein, (1989) suggested that the timing of shopping trips, with consumers visiting smaller local store for short "fill-in" trips and larger store for regular shopping trips. Further Lastly Bell and Lattin (1998) found a systematic relationship between a household's shopping behavior and store preference

Family size and composition

Bawa and Ghosh, (1999) suggests Family size and composition implies the total number of members in a family and the distribution between adults and children. Larger families will have higher levels of consumption and will buy larger quantities of products/services to satisfy the consumption. They will also require a wider variety of products, and therefore are likely to get stocked out more frequently than smaller families further Leszczyc, Sinha, and Timmermans, 2000). Bawa and Ghosh, (1999) noticed on size has a positive effect on the likelihood of a shopping trip found that the size of the family was positively associated with the frequency of shopping trips and the basket size. The household composition, will also affect the shopping basket it has been suggested Prais and Houthakker, 1971; Benus, Kmenta and Shapiro, 1976; McClements, 1977; Muelbauer, 1980) that for a given household size, the presence of children in the household is likely to lower expenditures relative to an all-adult household due to differences in

consumption rates for children and adults In addition, the presence of children is likely to result in a more diverse basket size, with higher chances of stock outs and greater impulse purchases. Thus the presence of children will induce baskets, with larger baskets in terms of categories, but smaller baskets in terms of size. The composition (presence of children) will also spark of the need for particular (high service) formats and for stores with a particular ambience.

Relationship between shopping basket, choice of retail format and retail store

For know the preferences for organized retail choice it is essential for go through literature on Relationship between shopping basket, choice of retail format and retail store the Bawa and Ghosh, (1999). Shopping basket will affect the store choice in various ways such as The size itself will affect the store choice, as shoppers are prepared to go farther to shop for a larger basket than a smaller basket.Desai and Talukdar, (2003) suggests The contents of the basket will affect the shopper's perspective of the store and affect the ongoing store choice. Consumers typically shop for multiple items on a given trip rather than a single item; and these items from the shopping basket for the shopper. Shopping basket has been defined as 'comprising the collection of categories that consumers purchase on a specific shopping trip that was suggested by Manchanda, Ansari and Gupta, (1999) Lattin, (1998), How the size of the basket determines the choice of store between across the formats. These indicate that the first choice for the shopper is that of the format, which depends to a large extent on the shopping basket, but will also depend, on the other format attributes that the shopper would derive from the format. It is then proposed that family attributes, as family composition, occupation status etc. will decide the shopping basket. The choice of the shopping basket will, then play a major role in deciding first the format and then the store. The final store will be chosen keeping in mind the store attributes such as location, store image, price image, ambience etc. In certain exceptional circumstances, such as strong loyalty to a store, a particular type of ambience or location, considering the composition of the basket and the availability in the store of the merchandise, the choice might be made directly for the store instead of going through the process of basket-format-store. In addition the Leszczyc and Timmermans, (1997) found that The contents of the shopping basket will restrict the choice across formats and stores and overall preference for the store might shift as a function of the composition of the shopping basket

Methodology and data analysis

The survey will be conducted by conducting face-to-face interviews with using questionnaires. As data is to be collected from consumers approaches at retail stores as well as household. Consumer survey Households will be selected from the same localities where the organized retail store are located near by area.

Total 500 respondents selected from different locations of Ahmedabad city. These consumer shopped at least once in a month from organized retail store. The time limit of two months was determined to gather data from variety of customers who shopped at different frequency. In this way study was able to collect information from consumers, who go there for shopping.

A structured questionnaire was developed to measure the customers' Prefer criteria for organized retail store. The questionnaire includes questions concerning types of Store choice for various requirements. and demographic information of respondents. Total 65 items were developed to measure the consumer's criteria and preferences. All items were developed by the researchers. Some of these were five point Likert-type scales in which respondents were asked to indicate their level of agreement (1 = strongly disagree to 5 = strongly agree). Some of the questions contains informations regarding modes of payment, prefer time for shopping, decision taker for purchasing, frequency of repeating purchasing etc.

Demographic Profile of the Sample

A total of 500 respondents participated in the survey. Selected demographic characteristics of the sample including gender, age, education, marital status and monthly family income, are presented in Table I. The sample consisted of 42 percent of male and 58 percent female respondents. Respondents were mostly between the ages of 25 and 45 years. 91 percent of the respondents were married.

Table 1: Demographic Characteristics of the Sample

Variables		Frequency	%
Gender	Male	210	42
	Female	290	58
Age	Below 18	10	2
	18-25 Yrs	16	3.2
	25-35 Yrs	206	41.2
	35-45 Yrs	220	44
	45-55 Yrs	36	7.2
	Above 55 Yrs	12	2.4
occupation	Business	70	14
	Government Service	120	24
	Private Service	111	22.2
	Professional	12	2.4
	Retired	12	2.4
	House wife	150	30
	Student	25	5
Marital Status	Married	455	91
	Unmarried	45	9
Number of person in Family	Below 2 family member	34	6.8
	3 to 4 member	204	40.8
	4 to 6 member	189	37.8
	Above 6 member	73	14.6
Monthly Family Income	Less than Rs.15,000	243	48.6
	Rs.15,000 to Rs.30,000	200	2140
	Rs.30,000 to Rs.45,000	46	9.2
	Rs.45,000 to Rs.60,000	11	2.2

Source: Primary data collected through questionnaire from Ahmedabad city

SPSS 16.0 was adopted for the exploratory factor analyses for the confirmatory factor analyses to verify the validity of the scales and structural relationships among exogenous and latent concepts. To assess consumer's criteria & preferences for purchasing from organized retail store, the pilot survey was conducted by one-to-one interview survey of 100 respondents. The questions about the criteria for store choice, preferences, frequency of visit store, and other variables were given to the respondents. The results of the pilot study check the reliability & validity of scale used. First, internal reliability of the scale was examined using Cronbach's alpha coefficients. Taking 0.7 and above as an indicator of reliability, it can be concluded that all the shopping motivation constructs are reliable. After pilot survey these result included in the main survey. Other scales include six items measuring opinion regarding to organized retail store. Two items measuring purchasing decision role in to daily shopping goods & other goods .one item measure on an average spending on the day to day requirement as well as other requirements. Other questions measure demographics, consumers' characteristics related to store visit, mode of payment, the most preferred store.

Rotated Component Matrix

Table: Rotated Component Matrix (Source: Analyzed Primary data)

Question – 3 Variables	Component			
	1	2	3	4
Other entertainment options available	.822			
Parking	.762			
Staff helpful			.464	
Price of products		.756		
Easily accessible		.561		
Near to office		.528		
Wide range of products available			.724	
Wide range of brands available			.629	
Near to Home				.855
Promotion Offers				.653

Table : Analyzed Factors with factor loading

Factors	Variables	Factors Loading	Identified factor
1	Availability of entertainment options	.822	Shopping with entertainment
	Availability of Parking	.762	
2	Price of products	.756	Convenience shopping
	Easily accessible	.561	
	Near to office	.528	
3	Wide range of products available	.724	Wide range of selection
	Wide range of brands available	.629	
4	Near to Home	.855	Save time & money
	Promotion Offers	.653	

Chi- Square analysis of gender and various attributes for store choice.

Table: Chi square analysis of question various parameter and promotional offers

Sr. no	Hypothesized Relationships	χ ² Cal.	df	χ ² Tab.	Result
1	Gender & convenience	40.052	3	7.815	Significantly dependent
2	Gender & store location	21.912	3	7.815	Significantly dependent
3	Gender & store accessibility	49.147	4	9.488	Significantly dependent
4	Gender & Brand variety	37.070	3	7.815	Significantly dependent
5	Gender & Product variety	30.004	3	7.815	Significantly dependent
6	Gender & Amenities	83.160	4	9.488	Significantly dependent
7	Gender & Promotional offers	108.277	4	9.488	Significantly dependent
8	Gender & Price	36.836	4	9.488	Significantly dependent
9	Gender & store personnel	104.864	4	9.488	Significantly dependent
10	Gender & Entertainment	159.262	4	9.488	Significantly dependent

- H1: Gender & Convenience are independent of each other.
- H2: Gender & store location are independent of each other.
- H3: Gender & store accessibility are independent of each other.
- H4: Gender & Brand variety are independent of each other.
- H5: Gender & Product variety are independent of each other.
- H6: Gender & Amenities are independent of each other.
- H7: Gender & Promotional offers are independent of each other.
- H8: Gender & store personnel are independent of each other.
- H9: Gender & Price are independent of each other.
- H10: Gender & Entertainment are independent of each other.

Conclusion and Implications

The present study suggests that Consumer's criteria and preferences for organized retail store are dependent on the various parameter. The factor analysis shows the preferences for organized retail store. Indian consumers are more concern about store convenience, product quality and availability of products. First, retail managers need to enhance product quality and store convenience to improve customer base.

The criteria for selection organized retail store are:

- Near to home & near to office are important
- Easily accessible are also important for the entire respondent.
- Availability of wide range of brands & products are one of the important factors for choosing of store. From the factor analysis I found that this two factor are together are important.
- Parking and personnel help are moderate important found from the analysis.
- Other entertainment option are less important for selecting of store for shopping.

Generally the house wives prefer to shop at afternoon time while consumers whose occupation is either government or private service, they usually prefer to shop at evening more than 53% of total consumers. when they returned home from duty, as a result choice of store near to office for shopping of daily requirement is an important criterion

Limitations of the study

Like every research, this research also contains limitations. These limitations should be taken into account when the results of this research are interpreted. The study was explanatory and used a small sample from one city and thus is not representative of entire population of India.

1. The study has been conducted in Ahmedabad city of Gujarat, India. The results of the same, if conducted in other part of the State / county may vary.

2. The sample consisted of 500 respondents.
3. The sample was also conveniences one and collected from where organized retail store located nearby, thus there might be some kind of biasness in the findings due to this convenience sampling.
4. It is likely that individuals display different shopping motivations on varying occasions. While this study identified several shopping motivations Indian consumers go for shopping, it may have missed others.

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