



Consumer demographics and factors of store choice: A study in reliance fresh store

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ABSTRACT

Retailing becomes the buzz word in last decade in India. This paper focuses on the store selection factors responsible for the reliance fresh. Consumer characteristics were analysed using statistical techniques and store selection factors were compared to the demographics.

It is a challenge in the highly competitive environment of organized and unorganized retail to attract consumers and increased their spending in the store. For any store, understanding of shoppers' behavior and its traits are very important from strategic point of view. The paper identifies differences in store choice behaviour across different groups of consumers and factors important to reliance fresh in creating foot falls of shoppers.

Keywords : Store choice, organized retail, reliance fresh, demographics

INTRODUCTION

Retail is considered to be the world's largest private industry with total sales of US\$6.6 trillions. With close to 12 million outlets, India has the largest retail outlet density in the world. Organized retailing in India is evolving rapidly, with consumer spending growing by unprecedented rates and with increasing number of global players investing in this sector. India's retail market has experienced enormous growth since 1990 and it has been measured US\$ 311.7 billion in 2005-06. The most significant period of growth for the sector was between years 2000 and 2006, when the sector revenue increased by about 93.5 per cent translating to an average annual growth of 13.3 per cent (Retail market and opportunity, 2008, www.ibef.org).

OBJECTIVES OF THE STUDY

The main objective of this paper is to study the factors responsible in store selection for their household needs. It also focuses on relational investigation of consumer characteristics and store choice factors.

In the first phase of the research factors of store selection were explored considering a particular retail store. Factor of store choice has been derived after a brief analysis of literature and focus group interview of shoppers from Gandhinagar. Using the same factors a close end self administered questionnaire was prepared for the second phase of the study which was descriptive in nature. Consumer survey was conducted and responses were collected from the customers of Reliance fresh store of Gandhinagar.

Reliance fresh is situated in the main shopping centre of Gandhinagar. The store is famous for its fresh grocery, vegetables, fruits and various household products. Total 200 respondents were contacted, but 150 respondents have responded with adequacy level, so the effective sample size was 150 for the study. The respondents were selected using convenience sampling method of Non-probability category. Respondents were asked to rate the factors of store choice on agreement scale. Statistical technique of hypothesis testing, t test and anova were used to analyse the data.

EXPLORATORY ANALYSIS

According to the available literature, Indian consumers are more concern about service quality, store convenience, product quality and availability of new products (Rajaguru and

Matanda, 2006). Demographic characteristics of shopper are associated to store choice. Store attributes (e.g. price competitiveness, product selection, and atmosphere) performs driving role for store choice (Carpenter and Moore, 2006). Store attributes like service offering, activities, facilities and convenience has high influence over loyalty and satisfaction among consumers (Chang and Tu, 2005). Referral, Ambience environment of store, pricing factor, quality of goods, displays and promotion plays vital role in store choice behavior of consumers (Sinha and Benerjee, 2004).

Assortment and categories of product, shopping intention and culture is important factors to be influenced on the shopper in store choice (Paulins and Geistfeld, 2003). For a consumer store has been defined as the mix of variables that retailers use to develop their business strategies and constitute the mix as assortment, price, convenience and experience (Messinger and Narsimhan, 1997, Levy and Weitz, 2002).

RESPONDENT DETAIL

Respondents were selected using convenience sampling method. Respondents were contacted at the store after their shopping outside the store. 67 respondents were male whereas 83 were female. All the respondents were between the age group of 18 years to 55 years. The distribution of monthly income was ranged between Rs. 8000 to 80,000 of respondents. The respondents were distributed according to family size considering the categories of single, nuclear family and joint family. Further educational background was asked to classify them in to undergraduate and post graduate groups.

Table: 1 Respondent profile

	Male			Female			
	Age Groups						
Monthly Family Income	18-30	30-45	45 and above	18-30	30-45	45 and above	
Up to 20000	10	11	4	13	18	1	57
30000-50000	5	6	6	8	10	2	37

50000 and above	7	12	6	11	16	4	56
	22	29	16	32	44	7	150
	67			83			

ANALYSIS

Consumer demographics were compared with the factors of store choice. For this comparison sub groups of consumers were categorized from the total number of respondents. Hypotheses were developed for each demographic variable to test with store choice factors to understand consumers' attitude to store. Gender and Educational background have two sub groups so t test was used to analyze the data, whereas Age, Family life stage and Family income have three sub-groups, so one way anova was used to analyze the data.

1. Null Hypothesis for Gender

Gender wise there is no significant difference among respondents for factors of store choice.

Table: 2 t test of Gender and Store choice factors

Sr. No.	Factors	Degree of Freedom	p Value	Null Hypothesis
1	Price	129	0.039	Rejected
2	Variety of Products	148	0.247	Failed to Reject
3	Store Appearance	147	0.619	Failed to Reject
4	Availability	148	0.211	Failed to Reject
5	Mode of Payment	148	0.802	Failed to Reject
6	Convenience	148	0.765	Failed to Reject
7	Complaint handling	148	0.947	Failed to Reject
8	Shopping Hours	148	0.055	Failed to Reject
9	Store Image	148	0.135	Failed to Reject
10	Store Size	148	0.558	Failed to Reject
11	Sales Personal Behaviour	147	0.071	Failed to Reject
12	Parking Facility	147	0.079	Failed to Reject
13	Promotional offers	147	0.007	Rejected

Source: Analysis of Data

After analysing the data with t test, result of the hypotheses was derived comparing p value with the 5 percent significance level. There is no significant difference among respondents for Variety of Products, Store Appearance, Availability of Brands, Mode of Payment, Convenience, Complaint handling, Shopping Hours, Store Image, Store Size, Sales Personal Behaviour and Parking Facility considering their gender. Whereas there is some difference found for Price and Promotional offers among the respondents considering their gender.

2. Null Hypothesis for Education

Educational background wise there is no significant difference among respondents for factors of store choice.

Table: 3 t test of Education qualification and Store choice factors

Sr. No.	Factors	Degree of Freedom	p Value	Null Hypothesis
1	Price	100	0.346	Failed to Reject
2	Variety of Products	148	0.103	Failed to Reject

3	Store Appearance	147	0.008	Rejected
4	Availability	148	0.778	Failed to Reject
5	Mode of Payment	148	0.124	Failed to Reject
6	Convenience	148	0.005	Rejected
7	Complaint handling	148	0.542	Failed to Reject
8	Shopping Hours	148	0.447	Failed to Reject
9	Store Image	148	0.959	Failed to Reject
10	Store Size	148	0.024	Rejected
11	Sales Personal Behaviour	147	0.000	Rejected
12	Parking Facility	147	0.005	Rejected
13	Promotional offers	147	0.002	Rejected

Source: Analysis of Data

After analyzing the data with t test, result of the hypotheses was derived comparing p value with the 5 percent significance level. From the p value of the factors, it is proved that there is no significant difference among respondents for Price, Variety of Products, Availability of Brands, Mode of Payment, Complaint handling, Shopping Hours, Store Image, considering their educational background. Whereas there is some difference found for Store Size, Sales Personal Behaviour, Parking Facility, Store Appearance, Convenience and Promotional offers among the respondents considering their educational background.

3. Null Hypothesis for Age

Age group wise there is no significant difference among respondents for factors of store choice.

Table: 4 Anova test of Age groups and Store choice factors

Sr. No.	Factors	p Value	Null Hypothesis
1	Price	0.201	Failed to Reject
2	Variety of Products	0.237	Failed to Reject
3	Store Appearance	0.922	Failed to Reject
4	Availability	0.911	Failed to Reject
5	Mode of Payment	0.213	Failed to Reject
6	Convenience	0.749	Failed to Reject
7	Complaint handling	0.824	Failed to Reject
8	Shopping Hours	0.285	Failed to Reject
9	Store Image	0.604	Failed to Reject
10	Store Size	0.565	Failed to Reject
11	Sales Personal Behaviour	0.862	Failed to Reject
12	Parking Facility	0.368	Failed to Reject
13	Promotional offers	0.093	Failed to Reject

Source: Analysis of Data

After analyzing the data with one way anova, result of the hypotheses was derived comparing p value with the 5 percent significance level. From the p value of the factors, it is proved that there is no significant difference among respondents for all thirteen factors considering their age. All the age group considers all the factors of store choice equally.

4. Null Hypothesis for Family life stage

Considering family life stage, there is no significant difference among respondents for factors of store choice.

Table: 5 Anova test of Family life stage and Store choice factors

Sr. No.	Factors	p Value	Null Hypothesis
1	Price	0.027	Rejected
2	Variety of Products	0.292	Failed to Reject
3	Store Appearance	0.939	Failed to Reject
4	Availability	0.295	Failed to Reject
5	Mode of Payment	0.760	Failed to Reject
6	Convenience	0.361	Failed to Reject
7	Complaint handling	0.985	Failed to Reject
8	Shopping Hours	0.831	Failed to Reject
9	Store Image	0.354	Failed to Reject
10	Store Size	0.935	Failed to Reject
11	Sales Personal Behaviour	0.754	Failed to Reject
12	Parking Facility	0.412	Failed to Reject
13	Promotional offers	0.998	Failed to Reject

Source: Analysis of Data

After analyzing the data with one way anova, result of the hypotheses was derived comparing p value with the 5 percent significance level. From the p value of the factors, it is proved that there is no significant difference among respondents for Variety of Products, Availability of Brands, Mode of Payment, Complaint handling, Shopping Hours, Store Image, Store Size, Sales Personal Behavior, Parking Facility, Store Appearance, Convenience and Promotional offers considering their family life stage. Whereas there is some difference found among the respondents for price factor considering their family life stage.

5. Null Hypothesis for Family income

Considering family income, there is no significant difference among respondents for factors of store choice.

Table: 6 Anova test of Family income and Store choice factors

Sr. No.	Factors	p Value	Null Hypothesis
1	Price	0.778	Failed to Reject
2	Variety of Products	0.420	Failed to Reject
3	Store Appearance	0.585	Failed to Reject
4	Availability	0.169	Failed to Reject
5	Mode of Payment	0.163	Failed to Reject
6	Convenience	0.022	Rejected
7	Complaint handling	0.858	Failed to Reject
8	Shopping Hours	0.490	Failed to Reject
9	Store Image	0.117	Failed to Reject

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10	Store Size	0.269	Failed to Reject
11	Sales Personal Behaviour	0.152	Failed to Reject
12	Parking Facility	0.118	Failed to Reject
13	Promotional offers	0.020	Rejected

Source: Analysis of Data

After analyzing the data with one way anova, result of the hypotheses was derived comparing p value with the 5 percent significance level. From the p value of the factors, it is proved that there is no significant difference among respondents for Price, Variety of Products, Availability of Brands, Mode of Payment, Complaint handling, Shopping Hours, Store Image, Store Size, Sales Personal Behavior, Parking Facility and Store Appearance considering their family income. Whereas there is some difference found among the respondents for Convenience and Promotional offers considering their family income.

DISCUSSION

Majority of the customers who have visited the store "Reliance Fresh" were influenced by the factors like variety of products, availability of brands, convenience, store image, store size and promotional offers. The factors like price, customer complaint handling policy, store appearance, convenient shopping hours, Modes of payment and parking facilities do not affect the decision to visit this store. The demographic variables like gender have a different opinion for price and promotional offer in the selection of store. Consumer group based on educational background have different opinion for convenience, store appearance, promotional offer, sales personal, parking facility and store size.

CONCLUSION:

Variety of the products and Store image were found to be very important factors affecting the store selection behavior of customers. Stores like Reliance fresh have to care about assortment and its image in the mind of consumer. Convenience to the store is considered very important to the value seeking groups of consumers, whereas, promotional offers of the store are trump card to the store to attract enough number of shoppers. Consumers of Gandhinagar were found to be more sensitive to the promotional offers. Overall, it will be advantageous for reliance fresh to enrich consumers with unique shopping experience and provide quality merchandise with an attractive value proposition.