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REASONS FOR SELECTING A RETAIL STORE AND THE SATISFACTION LEVEL OF CUSTOMER'S

Dr. M. Selvarani
Assistant Professor & Head, Department of B.Com (BPS), Sree Saraswathi Thyagaraja College, Pollachi, Tamilnadu

Abstract:

Consumer is the nerve centre around which any business revolves. Same is true in the case of retail business also. Consumer behaviour signifies the totality of consumers decisions with respect to the acquisition, consumption and disposition of goods, services, time and ideas by human decision-making units. Consumer behaviour frequently involves decisions within retailing contexts or with retail phenomena serving as boundary or framing conditions.

Key Words: Retail Store, Goods & Services & Consumers Decisions

Introduction:

Consumer behaviour is the study of when, why, how and where people do or do not buy products. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the buyers' decision-making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Consumer behaviour is comparatively a new field of study which evolved just after the second world war. The sellers' market has disappeared and buyers' market has come up. This led to paradigm shift of the manufacturer's attention from product to consumer and specially focused on the consumer behaviour. The evaluation of marketing concept from mere selling concept to consumer-oriented marketing has resulted in buyer behaviour becoming an independent discipline. The growth of consumerism and consumer legislation emphasizes the importance that is given to the consumer. Consumer behaviour is a study of how individuals make decisions to spend their available resources (time, money and effort) or consumption-related aspects. (What they buy? When they buy? How they buy? and so on)

Statement of the Problem:

The success of retail industry solely depends on how it performs in the market place at a given point of time. The performance, in turn, depends on how efficiently the industry woos the consumers to its basket. To encourage the consumers, the retail industry must understand the behaviour of the consumers. But, understanding consumer behaviour is complex, as it is related to psychology of consumers and also depends on various factors which have a direct bearing on consumer behaviour. This, in turn, led the retailers to revisit their existing marketing strategies and introduce appropriate changes in them in order to get themselves succeeded in the industry and flourish. Hence, it is worthwhile to study the consumer behaviour in retail stores when they go to shop for their requirements.

Factors Affecting Store Choice:

The different demographic and socio-economic factor can affect the store choice in two different ways. One is that these factors directly affect the store choice. The other way is that, these affect the shopping basket, and the timing of the shopping trip, and therefore indirectly affect the store choice.

- ✓ Family size and composition

- ✓ Income level
- ✓ Employment status
- ✓ Store positioning

Importance of Consumer Behaviour:

The purpose of studying a discipline is to help oneself to better appreciate its contributions. The reason to study consumer behaviour is because of the role it plays in the lives of human beings. Most of the free time is spent in the market place, shopping or engaging in other activities. The extra time is usually passed in knowing and thinking about products and services, discussing with friends about them and watching advertisements related to them. The usage of them significantly reveals our lifestyles. All these reasons suggested the need for the study. However, the purpose may be to attend immediate and tangible reasons.

The micro perspectives involve understanding consumer for the purpose of helping a firm or organization to achieve its objectives. The people involved in this field try to understand consumers in order to be more effective at their tasks. The societal or macro-perspective applies knowledge of consumers to aggregate level faced by mass or society as a whole. The behaviour of consumer has significant influence on the quality and level of the standard of living.

Consumer Behaviours in the Present Day Context:

The behaviour of consumer has undergone vast changes in the recent past. Before globalization was introduced in India, there were only limited choices available to consumers to buy products or avail services. But in the post-globalization era, consumers are flooded with more number of varieties of products and services.

Today the understanding of consumer behaviour is so complex in nature due to changes in tastes and preferences taking place every day in the minds of the consumers. The socio-economic factors, rapid growth in technological advancements influence of media and sophisticated lifestyle also play a vital role in influencing the consumer behaviour. Gone were the days when rational purchasing decisions were made with limited choices with the help of elders in the family and people of previous generations understood the precious value of time and money. But today a new type of family setup called nuclear family has been mushrooming in our society. This led the people, most of the times, to make irrational buying decisions as there is no one in the family to offer timely advice. Further, the purchasing power of people have also increased manifold. It leads to the people armed with high disposable income. Further, there are lot of choices and controllable and uncontrollable variables which influence the behaviour of consumers. All these have led to understanding of consumer behaviour which is highly complex and the retailers have to find new, creative and innovative methods and strategies to not only understand the consumer behaviour but also feed them their requirements in order to sustain them forever.

Review of Related Literature:

Angela Selden, Steve Hermann and Nevillie Reports, (2004), have favoured application of scientific tools and methods to improve sound retailing by retail stores. They suggested that retailers should adopt these methods to improve the performance in eight key areas, namely in-stock optimization, optimized space and assortment, precision pricing , promotion effectiveness, strategic sourcing, integrated planning and visibility, in-stock optimization and dynamic fulfillment in order to bring organizational, cultural and technological changes in retail stores to deliver continuous business improvements to woo the customers.

Luiz A. Moutinho, Fiono M. Davies, Mark M. H. Goode and Emmanvel Ognonna (2006) have studied shopping behaviour of consumers in UK supermarket by taking into consideration the level of consumer satisfaction, number of visits consumers made to supermarkets and the amount spent by them in each such visits. The results showed that the most satisfied and high-spending customers tend to be those who have the income to take full advantage of the choice and quality offered, other consumers were concerned with reasonable price and discounts available and the consumers' satisfaction depends not only of these factors but also linked to store atmosphere. [Luiz A. Moutinho, Fiono M.Davies, Mark M.H.Goode and Emmanvel ognonna (2006), "Critical factors in consumer super market shopping Behaviour. A Neutral Network Approach", Journal of Consumer behaviour. Vol. 1(1), pp. 35-49]

Yue Pan and George Zinkhan (2006) have suggested that the retail patronage idea includes such key concepts as store choice and frequency of visit. In this study, the meta-analysis suggested that various predictors (eg. service, product selection, quality) were strongly related to shoppers' retail choice, whereas others (eg. store attitude, store image) were important antecedents of shopping frequency. However, the relationships between the predictors and retail patronage vary according to the study characteristics (eg. Experimental Vs. other designs).

Objectives of the Study:

The following are the main objectives of the present study,

- ✓ To identify the reasons for selecting a particular retail store.
- ✓ To examine the level of satisfaction of the consumers

Results and Discussions:

Reasons for Selecting the Particular Retail Shop:

The following details show the respondents' reasons for selecting a particular retail store

Factor Analysis:

S.No	Reason Code	Reasons
1	S1	Convenience
2	S2	Store Atmosphere & Decorations
3	S3	Hospitality in service
4	S4	Better Quality
5	S5	Employees' co-operation
6	S6	Proximity
7	S7	Availability of the products
8	S8	Discount Offers
9	S9	Various offers like buy 1 get 1 free
10	S10	Promotional Activities
11	S11	Display of the products
12	S12	Packaging of the products
13	S13	Emotional attachments
14	S14	Comments from reference groups
15	S15	Income Status
16	S16	Requirement of products in festival seasons
17	S17	Traditions and Customs
18	S18	Various festival discounts on products

Test of KMO and Bartlett's Test of Sphericity:

The use of KMO and Bartlett's test of sphericity is primarily essential to measure sample adequacy for using Factor Analysis. The small value of KMO statistics indicate that the correlations between pair of variables cannot be explained by other variables and the Factor analysis may not be appropriate.

KMO and Bartlett's Test:

Kaiser-Meyer-Olkin	Measure of Sample Adequacy	0.820
Bartlett's test of Sphericity	Approx. Chi-square	5887.78
	DF	153
	Sig	0.000

Reliability Statistics:

Cronbach's Alpha	No. of items	N0. of variables
.8674	1000	18

The reliability of scales used in this study was calculated by Cronbach's coefficient alpha and normally it ranges between 0 and 1. All constructs obtained an acceptable level of a coefficient alpha above .8, indicating the scales used in this study were reliable.

Using all the 18 reasons, namely S1, S2,…….and S18, factor analysis is performed in order to group these reasons on priority basis based on the strength of inter-correlation between them , called 'Factors' and cluster these reasons in to the factors extracted and the results are presented in the following tables.

Reasons	Factors						Commun ality
	I	II	III	IV	V	VI	
S1	0.121	0.011	0.170	0.075	**0.719**	-0.245	0.627
S2	0.285	0.078	0.169	0.049	**0.592**	0.219	0.517
S3	-0.118	0.459	0.207	0.208	**0.501**	0.186	0.597
S4	0.085	**0.811**	0.155	0.204	0.130	-0.098	0.757
S5	0.142	**0.814**	-0.022	0.117	0.002	0.278	0.774
S6	0.123	0.087	-0.058	0.136	**0.725**	0.208	0.614
S7	0.223	0.366	0.023	**0.624**	0.158	-0.150	0.621
S8	0.139	0.092	**0.579**	0.491	0.083	0.071	0.616
S9	0.185	0.165	**0.834**	0.011	0.105	-0.005	0.768
S10	0.102	0.048	**0.755**	0.166	0.114	0.188	0.659
S11	0.004	0.006	0.165	**0.633**	0.260	0.153	0.519
S12	0.188	0.081	0.090	**0.799**	-0.026	0.157	0.714
S13	0.177	0.085	0.153	0.146	0.127	**0.826**	0.782
S14	0.343	0.308	0.362	0.143	0.140	**0.401**	0.544
S15	0.398	**0.569**	0.342	-0.162	0.076	0.004	0.632
S16	**0.735**	0.141	0.064	0.306	0.262	-0.132	0.743
S17	**0.763**	0.061	0.094	0.061	0.142	0.257	0.684
S18	**0.690**	0.160	0.282	0.142	0.056	0.147	0.626
Eigen value	2.207	2.198	2.128	2.009	1.920	1.331	11.793
% of vari expl	12.260	12.212	11.823	11.161	10.665	7.396	65.518
Cum % of vari exp	12.260	24.472	36.296	47.457	58.122	65.518	---

Source: Computed Data

The above table gives the rotated factor loadings, communalities, eigen values and the percentage of variance explained by the factors. Out of the 18 reasons, 6 factors have been extracted and these 6 factors put together explain the total variance of these problems to the extent of 65.618 %. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data. The varimax rotation is one such method to obtain better result for interpretation employed and the results are given in the above table.

Clustering of Reasons into Factors:

Factor	Reasons	Rotated Factor Loadings
I (12.260%)	S16	0.735
	S17	0.763
	S18	0.690

II (12.212%)	S4	0.811
	S5	0.814
	S15	0.569
III (11.823%)	S8	0.579
	S9	0.834
	S10	0.755
IV (11.161%)	S7	0.624
	S11	0.633
	S12	0.799
V (10.665%)	S1	0.719
	S2	0.592
	S3	0.501
	S6	**0.725**
VI (7.653%)	S13	**0.826**
	S14	**0.401**

Source: Computed Data

Three factors were identified as being maximum percentage variance accounted. The 3 reasons S16, S17 and S18 were grouped together as factor I and accounts for 12.260% of the total variance. The 3 reasons S4, S5 and S15 constituted the factor II and accounts for 12.212% of the total variance. The 3 reasons S8, S9 and S10 constituted the factor III and accounts for 11.823% of the total variance. The 3 reasons S7, S11 and S12 constituted the factor IV and accounts for 11.161% of the total variance. The 4 reasons S1, S2, S3 and S6 constituted the factor V and accounts for 10.665% of the total variance. The 2 reasons S13 and S14 constituted the factor VI and accounts for 7.396% of the total variance. Thus the factor analysis condensed and simplified the 18 reasons and grouped into 6 factors explaining 65.518% of the variability of all the 18 reasons.

Level of Satisfaction:

The table given below reveals the satisfaction level of the respondents towards the retail stores.

Level of Satisfaction - Factor Analysis:

S.No	Code	Levels
1	S1	Location of the store
2	S2	Appearance of the layout
3	S3	Operating hours
4	S4	Display of Merchandise
5	S5	Space allocation for easy accessibility
6	S6	Competence of salesperson
7	S7	Proper storage of material
8	S8	Discounts offered on bulk purchases
9	S9	Parking space provided
10	S10	Efficient checkout operations
11	S11	Place for entertainment for children
12	S12	Keeping customers informed new arrivals
13	S13	Promptness of home delivery
14	S14	Ability of the salesperson to communicate with the customers
15	S15	Prompt service of the salesperson
16	S16	Quality of the goods
17	S17	Availability of full range of goods
18	S18	Variety of goods
19	S19	Correctness of weight & measurement
20	S20	Packaging of goods
21	S21	Number of salespersons
22	S22	Reasonable price
23	S23	Equality of price for all

24	S24	Acceptance of return or exchange of goods
25	S25	Credit facility
26	S26	Physical comforts like fan, seats, toilets etc.
27	S27	Service at the billing counter

Test of KMO and Bartlett's Test of Sphericity:

The use of KMO and Bartlett's test of sphericity is primarily essential to measure sample adequacy for using Factor Analysis. The small value of KMO statistics indicates that the correlations between pair of variables cannot be explained by other variables and the Factor analysis may not be appropriate.

KMO and Bartlett's Test:

Kaiser-Meyer-Olkin	Measure of Sample Adequacy	0.866
Bartlett's test of Sphericity	Approx. Chi-square	10375.012
	DF	351
	Sig	0.000

Reliability statistics

Cronbach's Alpha	N of items	N of variables
.9065	1000	27

The reliability of scales used in this study was calculated by Cronbach's coefficient alpha and normally it ranges between 0 and 1. All constructs obtained an acceptable level of a coefficient alpha above .9, indicating the scales used in this study were reliable.

Using the Level of satisfaction on 27 aspects, namely S1, S2,…….and S27, Factor analysis is performed in order to group these attributes on priority basis based on the strength of inter-correlation between them , called 'Factors' and cluster theses statements in to the factors extracted and the results are presented in the following tables.

Variable	Factor								Communality
	I	II	III	IV	V	VI	VII	VIII	
S1	-0.073	**0.766**	0.161	0.024	0.080	0.254	0.011	0.160	0.715
S2	0.131	**0.765**	0.093	0.140	0.057	0.120	0.169	0.107	0.688
S3	0.354	**0.628**	0.178	0.233	0.030	0.149	-0.051	-0.117	0.644
S4	**0.580**	0.389	0.100	0.154	0.306	-0.060	0.093	0.017	0.628
S5	**0.657**	0.156	0.268	0.063	0.224	-0.121	0.129	-0.131	0.631
S6	0.124	0.423	0.047	0.003	**0.591**	0.033	0.326	0.151	0.675
S7	0.248	0.184	0.121	0.014	**0.617**	0.246	-0.010	0.046	0.554
S8	0.139	0.207	**0.583**	-0.164	0.147	0.084	0.181	0.149	0.512
S9	0.143	0.150	**0.764**	0.095	0.097	0.219	-0.007	0.019	0.694
S10	0.346	0.121	**0.582**	0.326	-0.019	0.064	0.130	-0.073	0.606
S11	-0.195	0.004	0.515	0.212	**0.548**	-0.030	0.244	-0.051	0.711
S12	0.099	0.029	0.327	0.057	0.184	0.117	**0.692**	-0.031	0.648
S13	0.239	0.053	0.009	0.206	0.172	0.158	**0.728**	0.086	0.693
S14	0.367	0.187	0.022	0.130	-0.134	0.116	**0.487**	0.265	0.526
S15	**0.564**	0.111	0.269	0.095	-0.073	0.117	0.304	0.272	0.597
S16	-0.011	0.264	-0.013	0.206	0.166	**0.719**	0.175	0.006	0.687
S17	0.125	0.137	0.208	0.156	0.142	**0.782**	0.125	0.041	0.751
S18	0.376	0.159	0.207	-0.006	0.060	**0.555**	0.114	0.276	0.610
S19	**0.696**	0.071	0.119	0.156	0.114	0.369	0.028	0.128	0.694
S20	**0.684**	-0.070	0.007	0.171	0.049	0.134	0.208	0.103	0.576
S21	0.167	0.065	-0.068	0.525	**0.515**	0.096	0.250	-0.075	0.654
S22	0.153	0.209	-0.024	**0.545**	0.220	0.171	0.296	0.021	0.530
S23	0.095	0.191	0.116	**0.731**	-0.029	0.065	0.079	0.321	0.708
S24	0.293	0.015	0.258	**0.630**	0.085	0.252	0.025	0.164	0.648
S25	0.251	-0.017	0.480	0.315	0.058	-0.011	0.028	**0.524**	0.672
S26	0.095	-0.196	0.168	0.123	**0.630**	0.226	0.011	0.380	0.683
S27	0.053	0.189	-0.036	0.174	0.181	0.113	0.108	**0.749**	0.688
Eigen Value	3.039	2.366	2.317	2.130	2.124	2.066	1.883	1.497	17.423

% of Vari Expl	11.254	8.765	8.583	7.889	7.867	7.653	6.974	5.544	64.529
Cum % of vari exp	11.254	20.019	28.601	36.490	44.357	52.010	58.985	64.529	---

Source: Computed Data

The above table gives the rotated factor loadings, communalities, eigen values and the percentage of variance explained by the factors. Out of the 27 aspects, 8 factors have been extracted and these 8 factors put together explain the total variance of these problems to the extent of 64.529 %. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data. The varimax rotation is one such method to obtain better result for interpretation employed and the results are given in the above table.

Clustering of Aspects into Factors:

Factor	**Aspects**	**Rotated Factor Loadings**
I (11.254%)	S4	0.580
	S5	0.657
	S15	0.564
	S19	0.696
	S20	0.684
II (12.987%)	S1	0.765
	S2	0.628
	S3	0.766
III (8.583%)	S8	0.583
	S9	0.764
	S10	0.582
IV (7.889%)	S22	0.545
	S23	0.731
	S24	0.630
V (7.867%)	S6	0.591
	S7	0.617
	S11	0.548
	S21	0.515
	S26	0.630
VI (7.653%)	S16	0.719
	S17	0.782
	S18	0.555
VII (6.974%)	S12	0.692
	S13	0.728
	S14	0.487
VIII (5.544%)	S25	0.524
	S27	0.749

Source: Computed Data

Three factors were identified as being maximum percentage variance accounted. The 5 variables S4, S5, S15, S19 and S20 were grouped together as factor I and accounts for 11.254 % of the total variance. The 3 variables S1, S2 and S3 constituted the factor II and accounts for 12.987% of the total variance. The 3 variables S8, S9 and S10 constituted the factor III and accounts for 8.583% of the total variance. The 3 variables S22, S23 and S24 constituted the factor IV and accounts 7.889 % of the total variance. The 5 variables S6, S7 and S11 constituted the factor V and accounts for 7.867% of the total variance. The 3 variables S16, S17 and S18 constituted the factor VI and accounts for 7.653% of the total variance. The 3 variables S12, S13 and S14 constituted the factor VII and accounts for 6.974% of the total variance. The 2 variables S25 and S27 constituted the factor VIII and accounts 5.544 % of the total variance. Thus

the factor analysis condensed and simplified the 27 aspects and grouped them into 8 factors explaining 64.529 % of the variability of all the 27 aspects.

Conclusion:

The retail industry in India is in a booming stage. There is a lot of untapped potential in this sector, due to the fact that the needs and wants of consumers are increasingly manifold day-by-day. But, in order to tap retail market in their full potential, the retailers must understand and recognize the behaviour of the consumers. As observed from the study, the preferences of the consumer were largely influenced by reasonable price, quality of the product, good service and easy accessibility to the stores. Moreover, it is also observed that the intention of the consumers for their purchase was mainly triggered by advertising and sales promotion measures. In the same pattern, the shopping habits of the consumers were governed by the factors such as price consciousness, utility of the products, store loyalty and values for money spent by the consumers.

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