



## Influence of store attributes on the consumer preference for organized retail outlets

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### Abstract

Often people think of retailing only as the sale of products in stores. But retailing also involves the sale of services: overnight lodging in a motel, a doctor's exam, a haircut, or a home-delivered pizza. Not all retailing is done in stores. Retailers take on different forms and sell to us in different ways. At present the consumers are also more dynamic. Consumers have certain expectations from the items they purchase such as their quality, price, and good services. The objective of the present study is to identify the influence of store Attributes on consumer preference for organized retail outlets. The study was carried out in Hyderabad metropolitan city in Telangana state, India. The sampling technique used in this research study is non-probability sampling technique of quota sampling and convenience sampling. The sample unit for the present research is selected consumers of organized retail outlets. Data for this study were both primary and secondary data. In this study, both descriptive and inferential statistics were used for the present study. Store atmosphere, sales personnel, product availability, service, merchandise, store convince, and promotion are the major factors that affect the influence of Store Attributes on the Consumer Preference for Organized Retail Outlets.

**Keywords:** Consumer, retailer, store attributes, retail outlets

### Introduction

Retailing consists of those business activities, which are involved in the sale of goods or services to consumers for their personal, family, or household use. Often people think of retailing only as the sale of products in stores. But retailing also involves the sale of services: overnight lodging in a motel, a doctor's exam, a haircut, or a home-delivered pizza. Not all retailing is done in stores. Retailers take on different forms and sell to us in different ways.

In this competitive world, we can see many problems in marketing of any product or service. Some problems can be solved, but so many problems may not be solved. India is a developing country and retail marketing is an important one to develop a country's economy. Retailers, who are the connecting link between the producer and consumer, face many problems in marketing their products from various dimensions and many causes behind this. At present the consumers are also more dynamic. Consumers have certain expectations from the items they purchase such as their quality, price, good services etc. Hence, there is a need for research work in the field of problems of retail marketing from the point of view of retailers and consumers as well.

### Objective of the Study

The objective of the present study is to identify the influence of store Attributes on the consumer preference for organized retail outlet.

### Research Method and Design

The following research methodology and design were adopted for the present study.

**1. Geographical Area of the Study:** The study was carried out in Hyderabad metropolitan city in Telangana state, India.

**2. Target Population:** A population is a group of individuals who have the same characteristics in common that are of interest to the researcher (Kothari, C. R., 2004) <sup>[8]</sup>. The target population of this study included organized retail outlets in Hyderabad City.

**3. Sampling Frame:** The sampling unit would consist of an individual who is eighteen years above and who becomes a respondent from these selected organized retail outlets in Hyderabad. The respondents with a mixture of educational backgrounds (school education, graduate, postgraduate and professional) were allowed to participate in the research study.

**4. Sampling Unit:** The sample unit for the present research is selected consumers of organized retail outlets.

**5. Sample Size:** The sample size is a subset of the target population and it is used to represent the population under the study (Kothari, C. R., 2004) <sup>[8]</sup>. The sample size for the study is 1,000.

**6. Sampling Technique:** The sampling technique used in this research study is non-probability sampling technique of quota sampling and convenience sampling.

**7. Source and Data Collection Methods:** Data for this study were both primary and secondary data.

**8. Data Analysis Tool:** In this study, both descriptive and inferential statistics were used for the present study.

**Discussion and Results**

This section presented the results of both descriptive and inferential statistical analyses performed on the data obtained through the field survey.

1. **Descriptive Statistics of Store Convince:** All the statement relating to Store Convince has a mean score between 4.53 to 4.28 which indicates that respondents strongly agree with the statement relating to Store Convince with the overall mean score value is 4.28 (S. D=1.23).
2. **Descriptive Statistics of Product Availability:** All the statement relating to Product Availability has a mean score between 4.31 to 4.53, which indicates that respondents strongly agree with the statement relating to Product Availability in store with the overall mean score value is 4.51 (S. D=1.56).
3. **Descriptive Statistics of Promotion:** All the statement relating to sales Promotion has a mean score between 4.37 to 4.42 which indicates that respondents strongly agree with the statement relating to sales Promotion in retail outlets with the overall mean score value is 4.45 (S. D=1.12).
4. **Descriptive Statistics of Sales Personnel:** All the statement relating to Sales Personnel in retail outlets has a mean score between 4.12 to 4.44 which indicates that respondents strongly agree with the statement relating to Sales Personnel in retail outlets with the overall mean score value is 4.72 (S. D=1.11).
5. **Descriptive statistics of Service in retail outlet:** It is evident that the perception of the consumer towards Service in retail outlet statement "it is convenience since the payment can be made with a store credit card" with a mean value of 4.28, followed by "store card facilities" with a mean value of 4.24 and "availability of gift registry" with mean score 4.24. The lowest mean score (4.20) is obtained for "availability of gift vouchers". The overall mean score based on the perception of consumers towards service in retail outlet mean value is 4.56 and the standard deviation is 0.95.
6. **Descriptive statistics of Merchandise in retail outlet:** All the statement relating to Merchandise in retail outlets has a mean score between 4.26 to 4.46 which indicates that respondents strongly agree with the statement relating to Merchandise in retail outlets with the overall mean score value is 4.45 (S. D=1.02).
7. **Descriptive statistics of Store Atmosphere in retail outlet:** All the statement relating to the Store Atmosphere in retail outlet has a mean score between 4.24 to 4.37 which indicates that respondents strongly agree with the statement relating to Store Atmosphere in retail outlet with the overall mean score value is 4.23 (S. D=1.11).

**Store Choice Attributes -Factor Analysis**

Factor analysis is used to reduce these 49 variables into 7 uncorrelated representative factors. However, due to a large

number of store attributes the results appear to be vague and interpretation difficult. Therefore, these 49 variables have transformed into a small number of representative factors through factor analysis as below.

**Factor analysis**

Before running the factor analysis Kaiser-Meyer-Olkin (KMO) measure of sample adequacy and Bartlett's test of Sphericity were performed. KMO measure of sample adequacy is an index used to test the appropriateness of the factor analysis. The minimum acceptable value of KMO as supported by Othman and Owen (2001) is 0.5. Bartlett's test of Sphericity indicates whether a given correlation matrix is an identity matrix, which would indicate that your variables are unrelated. The significance level gives the result of the test. In this case, the population correlation matrix is an identity matrix and is rejected by Bartlett's test of Sphericity as the approximate chi-square statistic is 97322.834 with 1035 degrees of freedom, which is significant at the 0.05 level. The test was highly significant (p< .000) suggesting the factors are highly correlated and are suitable for factor analysis. Table 1 shows the value of the KMO statistic (0.918) is also larger than 0.5. Thus, factor analysis may be considered an appropriate technique for analysis.

**Table 1: KMO and Bartlett's Test**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.918
Bartlett's Test of Sphericity	Approx. Chi-Square	97322.834
	df	1035
	Sig.	.000

**Factor Analysis: Communalities**

Communalities indicate the amount of variance in each variable that is accounted for. Initial communalities are estimates of the variance in each variable accounted for by all components or factors. For principal components analysis, this is always equal to 1.0 (for correlation analyses) or the variance of the variable (for covariance analyses). Extraction communalities are estimates of the variance in each variable accounted for by the factors (or components) in the factor solution. Small values (less than .5) indicate variables that do not fit well with the factor solution, and should possibly be dropped from the analysis. In this case, study all statements relating to the selection of store above 0.50 and are all retained for further analysis

**Rotated Component Matrix**

Through Factor Analysis 7 factors have been extracted out of 49 variables. In other words, we have transformed 49 store variables into 7 representative Factors. As is visible from the table 7 variables (organized retail store attributes) have correlated with all factors for each other's.

**Factor Transformation Matrix**

The factor transformation matrix describes the specific rotation applied to our factor solution. This matrix is used to compute the rotated factor matrix from the original (un-rotated) factor matrix. If the off-diagonal elements are close to zero, the rotation is relatively small. If the off-diagonal elements are large (greater than ±0.5), a larger rotation was applied.

**Table 2:** Component Transformation Matrix

Component Transformation Matrix							
Component	1	2	3	4	5	6	7
1	.625	.353	-.231	.492	.253	.306	.179
2	-.068	.434	.847	.034	.258	-.066	.130
3	.169	-.793	.310	.383	.158	-.093	.256
4	-.573	.147	-.057	.592	-.410	.155	.324
5	-.204	-.065	-.146	-.434	.347	.390	.687
6	.455	.025	.198	-.264	-.732	-.004	.385
7	-.012	-.177	.262	-.043	-.142	.847	-.400

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.

From the table 2, it is visible that most of the off-diagonal values are small or close to zero indicating that the rotation required in the current case was small. For this study, all the variables have been correlated with 7 factors and have been named and labelled as shown below.

**Factor 1-Promotion:** 26.635% of the variance is explained by this factor, eight statements namely the credibility of store advertising, models used in in-store advertising, the inclusion of brochures in mailed store card accounts, spaciousness of in-store displays, ideas for wearing merchandise given in displays, sales with marked-down prices, the timely announcement of sales and availability of special offers (e.g. buy one get one free).

**Factor 2- Store Convince:** This factor explained 16.710% of the total variance. This factor consists of Store hours are convenient for my shopping needs, the time it takes to travel to the store, proximity of the store to a variety of other stores (e.g. grocery store), accessibility of store (e.g. location within the mall), the flow of people in the mall where the store is situated (i.e. ease of movement), availability of parking, amount of walking required within store and ease of finding merchandise items.

**Factor 3- Merchandise:** This factor consists of 14.290% of the total variance is explained by this factor. these factors consist of the availability of inter-store transfer facilities (e.g. find items from other stores), availability of mail-order service, availability of alteration service, variety of merchandise categories (e.g. formalwear/leisurewear/lingerie/shoes/accessories), availability of imported merchandise, availability of unique merchandise (e.g. only offered by specific store), availability of exclusive merchandise (e.g. limited number manufactured), availability of designer label merchandise (e.g. Calvin Klein), availability fashion merchandise, availability of styles suited to my age and quality of merchandise in the store.

**Factor 4- Service:** This factor explained 9.800% of the total variance is explained by this factor. This factor consists of store card facilities, it is convenience since the payment can be made with a store credit card, availability of gift vouchers and availability of gift registry.

**Factor 5- Product Availability:** This factor explained 8.993% of the total variance is explained by this factor. this factor contains the statement relating to the availability of merchandised products in the retail outlet such as the Availability of good quality merchandise, Availability of

wider choice/selection of merchandise, Availability of well-known branded merchandise, Availability of merchandise and services at lower prices and tore brand available at reasonable prices.

**Factor 6- Sales Personnel:** This factor explained 8.038% of the total variance is explained by this factor. which consist of the fashionability of sales personnel, the attractiveness of sales personnel, similarity in body type between sales personnel and myself (e.g. large-size/petite), similarity in age between sales personnel and myself, similarity in gender between sales personnel and myself expertise of sales personnel, courteousness of sales personnel, and number of sales personnel.

**Factor 7- Store Atmosphere:** This factor explained 7.978% of the total variance is explained by this factor, which consists of the Colourfulness of the store interior, suitable finishing materials used in-store (e.g. wood/stainless steel), Neatness of the store, the attractiveness of the décor in store and music played in store is very pleasant.

**Conclusion**

Consumers have certain expectations from the items they purchase such as their quality, price, good services, etc. Hence, there is a need for research work in the field of problems of retail marketing from the point of view of retailers and consumers as well. Thus, seven factors viz. store atmosphere, sales personnel, product availability, service, merchandise, store convince, and promotion are the major factors that affect the customer's perception of organized retailing. The store attributes are measurement involves 49 statements the mean and standard deviation values are varied from 4.20 to 4.46 and from 1.07 to 1.45 respectively. -0.29. These values for the store attributes construct indicate the normality of the data.

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