

# Drivers of Retail Shopping: An Exploratory Study

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**Abstract-** Over the last few years, retail has become one of the fastest growing sectors in the Indian economy. Traditionally, Indian retail sector has been characterized by the presence of large number of small –unorganized sectors. However, over the last half decade, the Indian consumers’ market has seen a significant growth of various retail formats such as supermarkets, department stores, discount stores, hypermarkets etc. The innovations in retail formats brought by retailers have been providing new paradigms in the act of shopping. The shoppers look for a wide range of choices of products, quality and prices. Consumers are now showing preferences for shopping malls, which enable them to shop a variety of products under one roof and offer shopping experience in terms of ambience and entertainment. The present paper aims at evaluating the consumers’ attitude towards nearby market, big bazaars and shopping malls and to analyze the related reasons age wise, education wise and income wise. The basic purpose is to find out the reasons of patronizing a store gender wise and to unfold the consumers’ preference to shopping malls.

consumer behaviour due to changing lifestyles, rising aspirations and the emergence of a dynamic youth culture. Against the backdrop of an accelerating modern retail revolution, India offers to be an attractive destination for global corporations and leading retailers seeking emerging markets overseas.

The increase in double income house hold has also led to change in the spending patterns across urban India. India’s swelling middle class is redefining lifestyle pattern with adoption of western values and growing brand consciousness. The analysts have predicted a rising trend of average household disposable income for the next two decades. The economic well-being of the Indian middle class and their growing aspiration for material comforts are responsible for the rising consumerism. The Indian consumer is gradually moving from the local “**kirana**” shopping to “**Mall Hopping**”. The Indian consumer is fast embracing modern retail with a number of domestic and international brands available in stores and with a wide range of product offered in the stores. There has been a marked increase in the number of new entrants in the retail sector with player revenues increasing across all the retail segments. The behaviour of retail shoppers is a subject of study across the world. In earlier days, if a consumer wanted to buy, the only option was the local Bania or the fair price shops run by the government. But, today one can buy from the same place and also one has the option of going to Big Bazaar, Super Market etc. Now-a-days the Indian shoppers have become very selective with a number of options open to them. Modern retailing has entered India in the form of extensive malls and huge complexes offering shopping, entertainment, leisure to the consumer. The retailers are now in an experimenting stage with a variety of formats to walk with the demand of the people. The retailers are moving from traditional stores to supermarkets to hypermarkets to speciality chains. However, kiranas still continue to score over modern formats primarily due to the convenience factor.

Some of the traditional and modern retail formats with their value positions are given in table-1 and 2.

**Index Terms-** retailing, stores, malls, customer

## I. INTRODUCTION

India is one of the largest economies in the world. The gradual increase in GDP and the purchasing power of Indians provides an excellent opportunity for organized retailing. The fast and furious pace of growth of the Indian economy is the driving force for Indian consumerism. Projections by analysts suggest that India has the potential to be labeled the fastest-growing economy and outpace the developed economies by 2050. India presents a significant market with its young population just beginning to embrace significant lifestyle changes. The demographic and economic facts widely quoted are undoubtedly impressive but — in order to assess the true nature of retail opportunities, we need to understand the deep transformation that is occurring in Indian

Table 1: Traditional Retail Formats

Format	Value position	Indian examples
Counter stores	High service, Low price	Kirana stores
Kiosks	High service	Paan shops
Street markets	Large selection, Low price	Village haats
Street vendors	High service	Vegetable vendors

Source: Compiled from magazines and news papers

Table 2: Modern Retail Formats

Format	Value Position	Example
Departmental stores	Service and choice	Pantaloons, Shoppers' Stop, Westside, Lifestyle
Supermarket/Convenience stores	Convenience	More, Food Bazaar, Nilgiris, Food World, Apna Bazaar
Hypermarkets/Discount Stores	Price and choice	Big Bazaar, Spencers, Star India Bazaar
Speciality Stores/Category Killers	Service	Planet Sports, Vijay Sales, Planet M, Music world, Crossword

Source: Compiled from magazines and news papers

Understanding the reasons behind consumers patronizing a store over others is important for the retailers. Shoppers choose the stores for several reasons such as: convenience of shopping, range of merchandise, brand and the services offered by the retail store. In effect, merchandising is the important factor of retail. The range of merchandise is the most important reason for the customer to patronize a particular outlet. The initial curiosity of a new store may draw a consumer to that particular retail store, but to convert him into a buyer and to retain him, is largely dependent on the brand and the range of merchandise offered by the store. Store environment and the kind of the services offered by the store also play an important role in attracting the new customers and retaining the old customers. At the same time the importance of convenience cannot be ignored in improving the image of a retail store. The element of convenience became prominent in the world of organized retail. This is especially true in the case of items like grocery, fruits and chemists, for example, for buying medicines, most patients would prefer to buy from the chemist near the doctor's clinic or near the hospital. The main objective of this paper is to evaluate the consumers' attitude towards nearby market, big bazaars and shopping malls age wise, education wise and income wise and to find out the reasons of patronizing a store gender wise.

## II. OBJECTIVES OF THE STUDY

Objectives of the study are as follows.

1. To know the consumers attitude towards big bazaars and shopping malls and to analyze the related reasons age wise, education wise and income wise.
2. To access the preference of the customers of retail store to nearby market age wise, education wise and income wise.
3. To analyze the store choice behaviour gender-wise with respect to service, merchandise brand and convenience.

## III. HYPOTHESIS

The hypotheses pertaining to objectives are as follows

**H1:** The consumers prefer to visit the nearby market irrespective of the age, income and education.

**H2:** The people have accepted the mall culture irrespective of the age, income and education.

**H3:** Male and female patronize a store equally with respect to service, merchandise brand and convenience.

## IV. RESEARCH METHODOLOGY

A simple random sampling method is adopted to select the sample. The sample consists of the visitors of the different retail

stores in the cities **Balasore, Cuttack and Bhubaneswar, Puri, Odisha**. A pre-tested questionnaire was administered to the visitors of retail store. Besides, personal observation was done where necessarily applicable. A pilot survey was conducted in the cities and the questionnaire was improved in that light. A structured questionnaire was used as a data collection tool. The survey was conducted during **October, November, 2011** among **530** geographically dispersed retail store visitors spread over the cities. The data were collected age wise, income wise and education wise. In some cases the respondents were requested to rate the different attributes ranging from 1-5 on likert scale. Where 1 indicates the most favourable and 5 indicates the most unfavourable attitude. The statistical tools such as **Chi-square test** and **large sample test** are used to reflect the association between attributes and the retail store customers.

## V. ANALYSIS AND INTERPRETATION

### 1. Purchase decision making

Purchase decision making is broadly analyzed with respect to **preference of nearby market** by the consumers and the **acceptance of mall culture**. Further the data are analyzed age wise, income wise and education wise. For education wise analysis, the respondents are divided into four groups such as under graduate (**E1**), graduate (**E2**), post graduate (**E3**) and professional (**E4**). The respondents are classified into four groups such as less than 10,000 p.m (**I1**), 10,000-20,000 p.m (**I2**), 20,000-30,000 p.m (**I3**) and more than 30,000 (**I4**) for income wise analysis. Similarly for age wise analysis the respondents are divided into four groups i.e. **A1**(less than 30), **A2** (31-40 years), **A3** (41-50 years), **A4** (more than 50).

#### i. Preference of nearby market by the consumers.

Most, often in purchase situations, proximity of the market is considered as an influencing factor of choosing a store. Majority of the respondents agreed to the fact that they prefer the nearby market as they can visit the shop at any time they want, it also saves the transportation cost and time. In case of exchanging any item, it is more feasible if the market is nearer to home. To examine the impact of distance in choosing a retail store for the different retail segments, the respondents were asked to express their preference of nearness of the market. The data so collected are analyzed education wise, income wise and age wise as given in Table-3 to 5.

Table 3: Preference of nearby market by the consumers: Education

	E1	%	E2	%	E3	%	E4	%	Total	%
Yes	60	20	113	39	93	32	27	9	293	55
No	46	19	99	42	71	30	21	9	237	45
Total	106	20	212	40	164	31	48	9	530	100

Chi-square test is used to find out the relationship between the education and the preference of nearby market by the consumers on the basis of following hypotheses.

**Null hypothesis H<sub>0</sub>:** There is no significant association between the education and the preference of nearby market by the consumers.

**Test statistic:**  $\chi^2$  (Chi-square) =  $\sum [(O- E)^2/E] = 0.557$

Tab. Val of  $\chi^2_{(0.05)}$  at 3 d.f is 7.815

As,  $\chi^2_{cal} < \chi^2_{tab}$ , H<sub>0</sub> is accepted and H<sub>1</sub> is rejected

**Interpretation:** There is no significant association between the education and the Preference of nearby market by the consumers.

Table 4: Preference of nearby market by the consumers: Income

	I1	%	I2	%	I3	%	I4	%	Total	%
Yes	60	23	73	28	68	26	59	23	260	49
No	62	30	72	27	71	26	65	24	270	51
Total	122	23	145	28	139	26	124	23	530	100

Chi-square test is used to find out the relationship between the income and the preference of nearby market by the consumers on the basis of following hypotheses.

**Null hypothesis H<sub>0</sub>:** There is no significant association between the income and the Preference of nearby market by the consumers in choosing a store.

**Test statistic:**  $\chi^2$  (Chi-square) =  $\sum [(O- E)^2/E] = 6.5153$

Tab. Val of  $\chi^2_{(0.05)}$  at 3 d.f is 7.815

As,  $\chi^2_{cal} < \chi^2_{tab}$ , H<sub>0</sub> is accepted and H<sub>1</sub> is rejected

**Interpretation:** There is no significant association between the education and the Preference of nearby market by the consumers in choosing a store.

Table 5: Preference of nearby market by the consumers: Age

	A1	%	A2	%	A3	%	A4	%	Total
Yes	73	25	70	24	78	27	68	24	289
No	34	14	90	37	74	31	43	18	241
Total	107	20	160	30	152	29	111	21	530

Chi-square test is used to find out the relationship between the age and the preference of nearby market by the consumers on the basis of following hypotheses.

**Null hypothesis H<sub>0</sub>:** There is no significant association between the age and the Preference of nearby market by the consumers in choosing a store.

**Test statistic:**  $\chi^2$  (Chi-square) =  $\sum [(O- E)^2/E] = 18.2442$

Tab. Val of  $\chi^2_{(0.05)}$  at 3 d.f is 7.815

As,  $\chi^2_{cal} > \chi^2_{tab}$ , H<sub>0</sub> is rejected and H<sub>1</sub> is accepted

**Interpretation:** There is an association between the age and the Preference of nearby market by the consumers in choosing a store.

ii. Acceptance of mall culture  
Rising consumerism and a youth driven culture has made the new generation more discerning towards mall culture. New shopping activity has evolved from a need-based activity to a leisure time entertainment activity. The consumer today spends to achieve the “feel good” factor from their shopping experiences and so the entire landscape of shopping has changed to the mall concept. All these things have activated the emergence of mall

culture in the cities. It is found from the past studies that shopping at malls has become a favourite pass time for the youth customers.

The data have been collected about the acceptance of the mall culture and these are analyzed education wise, income wise and age wise as given in Table-6 to 8.

Table 6: Acceptance of mall culture: Education

	E1	%	E2	%	E3	%	E4	%	Total	%
Yes	56	21	107	39	82	30	26	10	271	51
No	50	19	105	41	82	32	22	8	259	49
Total	106	20	212	40	164	31	48	9	530	100

Chi-square test is used to find out the association between the education and the acceptance of the mall culture on the basis of following hypotheses.

**Null hypothesis H<sub>0</sub>:** There is no significant association between the education and the acceptance of the mall culture.

**Test statistic:**  $\chi^2$  (Chi-square) =  $\sum [(O - E)^2 / E] = 0.4085$

Tab. Val of  $\chi^2_{(0.05)}$  at 3 d.f is 7.815

As,  $\chi^2_{cal} < \chi^2_{tab}$ , H<sub>0</sub> is accepted and H<sub>1</sub> is rejected

**Interpretation:** There is no significant association between the education and the acceptance of the mall culture.

Table 7: Acceptance of mall culture: Income

	I1	%	I2	%	I3	%	I4	%	Total	%
Yes	63	24	67	25	70	26	65	25	265	50
No	59	22	78	29	69	26	59	22	265	50
Total	122	24	145	27	139	26	124	23	530	100

Chi-square test is used to find out the association between the income and the acceptance of the mall culture on the basis of following hypotheses.

**Null hypothesis H<sub>0</sub>:** There is no significant association between the income and the acceptance of the mall culture.

**Test statistic:**  $\chi^2$  (Chi-square) =  $\sum [(O - E)^2 / E] = 1.7611$

Tab. Val of  $\chi^2_{(0.05)}$  at 3 d.f is 7.815

As,  $\chi^2_{cal} < \chi^2_{tab}$ , H<sub>0</sub> is accepted and H<sub>1</sub> is rejected

**Interpretation:** There is no significant association between the income and the acceptance of the mall culture.

Table 8: Acceptance of mall culture: Age

	A1	%	A2	%	A3	%	A4	%	Total	%
Yes	62	25	60	24	85	35	38	16	245	46
No	45	15	100	35	67	24	73	26	285	54

Total	107	20	160	30	152	29	111	21	530	100
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Chi-square test is used to find out the association between the age and the acceptance of the mall culture on the basis of following hypotheses.

**Null hypothesis H<sub>0</sub>:** There is no significant association between the income and the acceptance of the mall culture.

**Test statistic:**  $\chi^2$  (Chi-square) =  $\sum [(O - E)^2 / E] = 22.94$

Tab. Val of  $\chi^2_{(0.05)}$  at 3 d.f is 7.815

As,  $\chi^2_{cal} > \chi^2_{tab}$ , H<sub>0</sub> is rejected and H<sub>1</sub> is accepted

**Interpretation:** The acceptance of the mall culture is dependent on age.

### 2. Gender and the reason of choice of a store

The first step of understanding the retail customers is identifying the customer for the product and the service, the target segment their needs and their buying behaviour. Understanding the reasons behind consumers patronizing a store

over others is important for the retailer. Shoppers choose the stores for several reasons such as: convenience of shopping, range of merchandise, brand and the services offered by the retail store. The decision making process that a customer undergoes while buying is also affected by the gender. Different reasons of patronizing a retail store are analyzed gender wise by using large sample test.

The responses collected about the reasons of choosing a store from the respondents along with large sample test from the respondents are given in Table-9.

### Gender Wise Analysis

For gender wise analysis, we have performed the large sample test (**Z**) for each of the attributes convenience, merchandise, brand and service.

Table 9: Reason of choice of a store: Gender

Reason	Male %	Female %	Null hypothesis	Alternative hypothesis	Large sample test Z	Conclusion
Convenience	12.3%	30.86%	H <sub>0</sub> : P <sub>1</sub> = P <sub>2</sub>	H <sub>1</sub> : P <sub>1</sub> < P <sub>2</sub>	2.44	Rejected
Merchandise	34%	12.17%	H <sub>0</sub> : P <sub>1</sub> = P <sub>2</sub>	H <sub>1</sub> : P <sub>1</sub> > P <sub>2</sub>	2.66	Rejected
Brand	30.3%	21.73%	H <sub>0</sub> : P <sub>1</sub> = P <sub>2</sub>	H <sub>1</sub> : P <sub>1</sub> ≠ P <sub>2</sub>	1.020	Accepted
Service	23.33%	35.21%	H <sub>0</sub> : P <sub>1</sub> = P <sub>2</sub>	H <sub>1</sub> : P <sub>1</sub> < P <sub>2</sub>	1.379	Accepted

### Test statistic

$$Z_{CAL} = \frac{P_1 - P_2}{\sqrt{\{PQ(1/n_1 + 1/n_2)\}}}$$

P<sub>1</sub> = Population Proportion of male, P<sub>2</sub> = Population Proportion of female.

n<sub>1</sub> = total no. of male respondents in the sample. = 300,

n<sub>2</sub> = total no. of female respondents in the sample = 230

Where, P =  $(n_1 p_1 + n_2 p_2) / (n_1 + n_2)$ , Q = 1 - P, Level of significance is 5% = 0.05

p<sub>1</sub> = Sample proportion of male, p<sub>2</sub> = Sample proportion of female

### Interpretation

- Female prefer to convenience more while choosing a store.
- Male and female equally patronize a store for the brand.
- Male prefer to merchandise more while choosing a store.
- Female prefer to the store where the service is good.

## VI. FINDINGS AND CONCLUSION

A steadily rising percentage of rich and super rich population and impressive disposable income offer a spectrum of opportunities — spanning from rural retailing to luxury retailing. The impressive retail space availability and growing trend of consumerism in the emerging cities and small towns add to the market attractiveness. The present study is an attempt to look at the various factors which influence the retail store choice

behavior particularly in rural area. The main objective is to unfold the complex nature of consumer behaviour, their attitude, perception and motives in the decision making and buying process. The following inferences have been derived from the paper.

1. By performing chi-square test, it is found that, there is no significant association of the preference to nearby market with the education and income of the respondents. However the age is somehow associated with that preference. At the same time the respondents prefer to visit the nearby market irrespective of the education, income and the age.
2. Chi-square test revealed that there is no association of the education level and income level with the acceptance of the mall culture. But, the people with lower age group are more attracted to the mall culture.
3. A large sample test of difference of proportions revealed that males are mostly affected by merchandise and females are affected by convenience and the service quality of the shoppers.

With the growing competition, it is becoming increasingly difficult for retailers to survive in the new economy. A new revolution is taking place, and for retailers to thrive today, they must possess revolutionary thinking. This type of thinking involves a desire to embrace change within their organization. In order to get a realistic perspective on retailing, we need to

comprehend how Indian consumer behaviour is changing; and to understand how retail formats are likely to evolve in a country.

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