

PERCEPTION OF CONSUMERS TOWARDS ORGANIZED RETAIL OUTLETS IN COIMBATORE CITY

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- Abstract -

Effective marketing mechanisms are applied to reach various segments of consumers. The opinion of consumers on a product is viewed in various angles and gratification provokes status. The article focuses on synchronizing various factors influencing the shopping behavior of consumers. Convenience, Accessibility and quality seeking, store loyalty, status consciousness, shoptainment and value consciousness are the various factors influencing the shopping behaviour of consumers and the consumers of the shops may be clustered into casual, mechanical and dynamic form of consumers based on the synchronized factors through the application of factor analysis.

Introduction

Marketing strategies are implemented based on consumer's knowledge about the product and its brand. The psychology of consumer is deeply analyzed by the manufacturers before producing a product. If there is any lag in shopping experience or decision making of consumer for a new product, the business would incur loss. The study on consumer behavior helps to understand how to produce and how much to produce. The consumers may be in the form of individual, group and organization. Consumer behavior involves how the consumer is purchasing a product,

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what induces him to buy it? How long the product is useful for him and when the products are to be disposed of. Today, the retail organizations are very keen in offering the requisite products to cater the needs of modern consumers. These organizations offer innovative services and they adopt effective marketing mechanisms to reach the various strata of consumers living in the society.

Statement of the problem

Consumers are always facing some factors influencing their perception level but they find alternative solutions to fulfill their needs. Basic needs, values, desires and perceptions are learnt from the family and also from the society. To obtain satisfaction, the consumers used to approach organized retail stores. Experiences gained in common life makes the consumers to expect different products. In a family, a person who is well educated with personalized skills takes the purchasing decision and acts as an opinion leader of the family. An individual may belong to many groups such as a board member, party club member or part of an educational institution. Based on their designation, the role gets changes. So, their opinion about a product is viewed in different angle and gratification provokes status.

Increase in the level of education, technological changes and mass media exposure play a significant role in increasing the level of awareness of consumers. The consumers want to purchase quality products. They approach the most reliable spots to fulfill their needs and wants. Especially, the roles of retail outlets in satisfying the consumers are very significant. These outlets depend on trust worthy manufacturers and brands. Though the consumers are more price consciousness, they are convinced by the retail outlets by providing real value for the products and services. With this background, the study aims to conduct a study in Coimbatore city for understanding the perception of consumers.

Research methodology

The nature of study is descriptive one. Primary data has been collected from the respondents who are the visitors of the organized outlets. Interview schedules have been used to collect the data from the respondents. Secondary data has also been collected from various published sources. Convenience sampling method has been followed to determine the sample size. As the researcher intends to meet the visitors

of retail outlets, the data has been collected from the visitors whoever cooperate generously to give the details as the identification of number of visitors in each mall becomes very crucial job. The sample size is restricted to 300 respondents. Factor analysis, One sample 't' test and K-means cluster analysis have been used to analyze the data.

Factors influencing Consumer Shopping Behaviour towards Organized Retail Stores

There are various key factors which have a direct bearing on the shopping behaviour of consumers towards organized retail outlets. In this regard, factor analysis has been extensively used to identify and analyze the key or predominant factors which influence the shopping behaviour among consumers towards organized retail outlets. The main aim of applying the factor analysis is to reduce the numerous variables into meaningful factors. So, it is used to reduce variables systematically to make the analysis worthy and meaningful. The factor analysis used in this study is principal component method with the test for Sphericity with Kawaser Meyer-Olkin (KMO) measure of sampling adequacy.

Table – 1
KMO and Bartlett's Test for Consumer shopping behaviour towards organized retail stores

Kawaser-Meyer-Olkin Measure of Sampling Adequacy		0.643
Bartlett's Test of Sphericity	Approx. Chi-Square	403.797
	Df	120
	Sig.	.000

The KMO and Bartlett's test for sampling adequacy for sixteen variables were 0.643 and the Chi-square value of Bartlett's test for Sphericity was 403.797. This clearly depicted that all the sixteen variables were different and perfectly distributed in the normal distribution. This also emphasized that the factor analysis was appropriate for sixteen variables of shopping behaviour towards organized retail outlets. The communality values for all the sixteen variables were represented in the following table.

Table – 2
Communalities for Consumer Shopping Behaviour
towards Organized Retail Stores

Variables	Initial	Extraction
I enjoy shopping at a store	1.000	.510
Able to spent time with my family/friends	1.000	.569
Able to compare the quality of brands	1.000	.684
Nearness to home	1.000	.422
Comparison of different brands in a store	1.000	.706
Expect benefits of the product for its value	1.000	.669
Regularly buy all products in my store only	1.000	.683
Acceptance of credit/debit cards	1.000	.530
Store provides better quality products	1.000	.509
Shopping at a particular store was a status symbol	1.000	.524
Opt for my status	1.000	.518
Products are reasonably priced.	1.000	.568
Frequency of transport	1.000	.479
Self-selection of products	1.000	.589
Availability of more number of varieties	1.000	.615
I refer my store to others	1.000	.543

Extraction Method: Principal Component Analysis.

From the above table, it was identified that out of sixteen variables, the variable ‘Comparison of different brands in a store’ (0.706) possessed high communality value, whereas the variable ‘Nearness to home’ (0.422) acquired least value. This implied that the individual variances of sixteen variables ranged from 42.2 percent to 70.6 percent respectively. Around 28.4 percent oscillation (70.6-42.2) was well established among sixteen variables. This implied that all the variables were adequately represented their contribution in the formation of factors. The number of factors emerged is presented in the table below.

Table – 3
Number of Factors Influencing Consumer Shopping
Behaviour towards Organized Retail Stores

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.161	13.508	13.508	2.161	13.508	13.508
2	1.859	11.616	25.124	1.859	11.616	25.124
3	1.477	9.233	34.357	1.477	9.233	34.357
4	1.168	7.301	41.658	1.168	7.301	41.658
5	1.110	6.937	48.595	1.110	6.937	48.595
6	1.044	6.525	55.120	1.044	6.525	55.120
7	.974	6.090	61.210			
8	.852	5.324	66.534			
9	.804	5.027	71.561			
10	.741	4.631	76.192			
11	.728	4.549	80.742			
12	.705	4.409	85.151			
13	.639	3.991	89.142			
14	.620	3.873	93.015			
15	.578	3.613	96.628			
16	.540	3.372	100.000			

Extraction Method: Principal Component Analysis.

The above table showed that factor analysis by principal component method with varimax rotation revealed six Eigen values such as 2.161, 1.859, 1.477, 1.168, 1.110 and 1.044. This revealed that the Eigen values greater than 1 led to the existence of six major factors with 55.120 percent of variance. The identified factors were also subjected to continuous varimax rotation with the correlation values and component-wise segregation as presented hereunder:

Table – 4
Variables and Variables Loadings for the Factors of Consumer
Shopping Behaviour towards Organized Retail Stores

Variables / Factors	Variable Loadings
Factor- 1: Convenience	.754
Nearness to home	.749
Self-selection of products	.728
Acceptance of credit/debit cards	.723
Frequency of transport	.711
Factor-2: Product Availability and Quality Seeking	
Availability of more number of varieties	.698

Variables / Factors	Variable Loadings
Comparwason of different brands in a store.	.687
Able to compare the quality of brands	.538
Store provides better quality products	.522
Factor-3: Store Loyalty	
Regularly buy all products in my store only	.651
I refer my store to others	.651
Factor-4: Status Consciousness	
Opt for my status	.575
Shopping at a particular store was a status symbol	.573
Factor-5: Shoptainment	
I enjoy shopping at a store.	.519
Able to spent time with my family/friends	.517
Factor-6: Value Consciousness	
Products are reasonably priced.	.438
Expect benefits of the product for its value	.423

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kawaser Normalization.

Rotation converged in 23 iterations.

The rotated component matrix in the above table explained the variables loadings in each predominant factor of retail consumers' shopping intention. It was observed that the first factor consisted of four variables and named as '*Convenience*'. The second factor consisted of four variables and named as '*Product Availability and Quality Seeking*'. The third factor consisted of two variables which were named as '*Store Loyalty*'. The fourth factor consisted of two variables and it was named as '*Status Consciousness*'. The fifth factor consisted of two variables and it was called as '*Shoptainment*'. The sixth factor included two variables and it was known as '*Value Consciousness*'.

Table – 5
One-Sample Statistics for Consumer Shopping Behaviour
towards Organized Retail Stores

Variables	Mean	Std. Deviation	Std. Error Mean
I enjoy shopping at a store	4.56	.566	.033
Able to spent time with my family/friends	4.37	.618	.036
Able to compare the quality of brands	4.30	.760	.044
Nearness to home	4.30	.568	.033
Comparwason of different brands in a store.	3.69	.962	.056
Expect benefits of the product for its value	3.73	1.068	.062
Regularly buy all products in my store only	4.17	.560	.032

Variables	Mean	Std. Deviation	Std. Error Mean
Acceptance of credit/debit cards	3.45	1.286	.074
Store provides better quality products	3.99	.940	.054
Shopping at a particular store was a status symbol	3.57	1.103	.064
Opt for my status	4.47	.592	.034
Products are reasonably priced.	4.38	.691	.040
Frequency of transport	4.22	.748	.043
Self-selection of products	4.13	.923	.053
Availability of more number of varieties	4.15	.507	.029
I refer my store to others	4.35	.722	.042

The above mean score table divulged that the customers enjoyed shopping at organized retail outlets followed by opt for their status, reasonable price, and able to time spent with their family/ friends. The customers referred their preferable store to others. It indicated that customers were loyal to their preferable retail outlets.

Table – 6
One-Sample t-test for Consumer Shopping Behaviour
towards Organized Retail Stores

Variables	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
I enjoy shopping at a store	47.705	299	.000	1.560	1.50	1.62
Able to spent time with my family/friends	38.491	299	.000	1.373	1.30	1.44
Able to compare the quality of brands	29.560	299	.000	1.297	1.21	1.38
Nearness to home	39.513	299	.000	1.297	1.23	1.36
Comparison of different brands in a store.	12.367	299	.000	.687	.58	.80
Expect benefits of the product for its value	11.837	299	.000	.730	.61	.85
Regularly buy all products in my store only	36.104	299	.000	1.167	1.10	1.23
Acceptance of credit/debit cards	6.018	299	.000	.447	.30	.59
Store provides better quality products	18.311	299	.000	.993	.89	1.10

Variables	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Shopping at a particular store was a status symbol	8.954	299	.000	.570	.44	.70
Opt for my status	42.936	299	.000	1.467	1.40	1.53
Products are reasonably priced.	34.656	299	.000	1.383	1.30	1.46
Frequency of transport	28.234	299	.000	1.220	1.13	1.31
Self-selection of products	21.270	299	.000	1.133	1.03	1.24
Availability of more number of varieties	39.378	299	.000	1.153	1.10	1.21
I refer my store to others	32.297	299	.000	1.347	1.26	1.43

The table indicated that 't' values for sixteen variables relating to shopping behaviour of customer towards organized retail outlets were also stochastically significant at 5 percent level ($p < 0.05$).

Classification of Consumers based on factors of Shopping Behaviour

The factor analysis has identified six factors of shopping behaviour such as convenience, product availability and quality seeking, store loyalty, status consciousness, shoptainment and value consciousness. Based on these factors, different type of clusters has been identified. To this, K-means cluster analysis was applied to classify the consumers' behaviour towards organized retail outlets.

Table – 7
Final Cluster Centers for the Factors of Shopping Behaviour towards Organized Retail Outlets

Factors	Cluster		
	Mechanical Consumers	Dynamic Consumers	Casual Consumers
Convenience	2.98	4.25	1.94
Product Availability and Quality Seeking	3.15	4.46	1.86
Store Loyalty	3.13	4.21	2.75
Status Consciousness	3.13	4.10	2.37
Shoptainment	3.18	4.31	2.25
Value Consciousness	3.70	4.21	2.41

The final cluster centre table showed that three heterogeneous groups of consumers were identified on the basis of factors of shopping behaviour towards organized retail stores.

Table – 8
Number of Cases in each Cluster

Clusters	Number of Consumers	Percent
Mechanical Consumers	83	27.7
Dynamic Consumers	148	49.3
Casual Consumers	69	23.0
Total	300	100.0

From the above table, it was identified that the second cluster of consumers (49.3 percent) were highly influenced by the factors of shopping behaviour. So, they were suitably called as '*Dynamic Consumers*'. The first cluster consisted of consumers (27.7 percent) who were moderately influenced with the factors of shopping behaviour. So, these consumers were named as '*Mechanical Consumers*'. The third cluster consumers (23 percent) were influenced at low level with the factors of shopping behaviour. So, this group was called as '*Casual Consumers*'.

Conclusion

Organized retail outlets play a vital role in satisfying the modern consumers. The consumers are attracted towards these stores which offer various kinds of brands and bundle of product benefits. The consumers have provided with various choices and options. They are well received in an organized ambience. Shoptainment makes them to feel more enthusiastic and shop with their counterparts, colleagues and friends. Privileges to regular consumers, convenient method of payment and distribution make the consumers to visit the shop in close frequencies.

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