An Insight into Product Attributes and Store Attributes for Consumer Purchasing from Emerging Retail Formats

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Abstract

The retail industry in India is largely unorganized and predominantly consists of small, independent, owner-managed shops. However the retail sector in India is witnessing a huge revamping exercise as the traditional retailers are making way for new formats. These modern retail formats provide wide variety to customers and offer an ideal shopping experience with an amalgamation of product, entertainment and service, all under a single roof, (Sinha and Uniyal, 2007; Kotler, 2006; Evans, 2011). The modern Indian consumer is seeking more value in terms of improved availability and quality, pleasant shopping environment, financing option, trial rooms for clothing products, return and exchange policies and competitive prices. This has created a rapid growing opportunity for organized, modern retail formats to emerge in recent years and grow at a fast pace.

Index terms—

1 Introduction

he retail industry in India is largely unorganized and predominantly consists of small, independent, owner-managed shops. However the retail sector in India is witnessing a huge revamping exercise as the traditional retailers are making way for new formats. These modern retail formats provide wide variety to customers and offer an ideal shopping experience with an amalgamation of product, entertainment and service, all under a single roof, (Sinha and Uniyal, 2007;Kotler, 2006; ??vans, 2011). The modern Indian consumer is seeking more value in terms of improved availability and quality, pleasant shopping environment, financing option, trial rooms for clothing products, return and exchange policies and competitive prices. This has created a rapid growing opportunity for organized, modern retail formats to emerge in recent years and grow at a fast pace.

Age, income, occupation and education are very important demographic factors influencing consumers' buying behavior and these have been considered in the present study. Earlier studies have examined the relationship between demographic factors and consumers' buying preferences. Mishra (2007) is of the view that India is currently in the second phase of evolution, that is, consumer demand organized formats. Retailers need to customize retail models as per the tastes and preferences of the Indian consumer. ??rshad et al. (2007), Kaur and Singh (2007), and Ghosh et al.

(2010) while highlighting the prospects of retailing in India have opined that 47% of India's population is under the age of 25 and this will further increase to 55% by 2015 and this young population will immensely contribute to the growth of the retail sector in the country.

The studies by Dash et al. ??2009), CII (2008) and Jhamb and Kiran (2012) depict that growing middle class, large numbers of earning young customers and increase in spending, are several opportunities for expansion of organized retailing in India. Malls are focused towards catering to the younger population segments ??Barak, 1998;Myers et al., 2008) and shopping behavior of the consumer varies according to their age (Moschis 2003). Shopping behavior of younger consumers' would be focused towards seeking entertainment, while older consumer focuses on convenience and leisure (Myers et al., 2008) Herpen and Pieters (2000) point out that the attribute-approach captures consumers' perception of assortment variety better than the product-based approach and it offers new insights into assortment variety. Popkowski et al. (2001) observed that the changing retail structure has provided the consumers with more options in the form of formats and services such as a large variety of products, quality products and less travel time, etc. Gupta (2004) and Urbonavicius et al. ??2005) are of the view that consumers prefer emerging retail formats due to its significant product attributes which include product quality, assortment of merchandise, variety and product prices. According to Lather et al. (2006) and Gupta (2007) six main indicators namely, price, sales personnel, quality of merchandise, assortment of merchandise, advertising services and convenience services play a key role for retailers in choosing the type of retail formats. The study by Jackson et al. ??2006) demonstrates that consumer choice between stores can be understood in terms of accessibility and convenience, whereas choice within stores involves notions of value, price, and quality.

2 b) Type of Goods

To better understand the organized retail scenario in India and the products preferred from emerging retail formats, goods have been classified into two types, i.e., shopping goods and convenience goods. Literature available on type of goods preferred from emerging retail formats is sparse and there are only few studies and these too are only focusing on a particular retail format. Shukla (2007) and CII ??2008) described that food and grocery, health and beauty, apparel, jewellery, footwear, home furniture, household goods, personal goods and consumer durables are the fastest growing categories of organized retail. The most appropriate retail formats for various items are: food and grocery-supermarket; health and beauty care services-supermarket; clothing and apparels'mall; entertainment-mall; watches-hypermarket; pharmaceuticals-hypermarket; mobile, accessories and services-hypermarket; and foot wares-departmental store ??Goyal et al., 2009). The results of the study by Mishra (2007) show that consumers buy essentially convenience goods with lower level of risk from organized outlets and essential products with higher risk from traditional retailers. The present study covers this aspect as well.

The literature review covers the consumers' perspective including attributes of retailing and consumer preferences and choice of store. It also focuses on product-wise choices of consumers. Based on the review, the study underlines the objectives for undertaking research in this area.

3 c) Objectives of the study

The present study has been undertaken with following broad objectives: ? To study the attributes that influence consumers' preferences towards emerging retail formats. ? To study the product-wise preferences of consumers' from emerging retail formats.

4 d) Hypotheses of the Study

? Store attributes may influence consumers to shop from emerging retail formats. ? Consumers may prefer to buy shopping goods from emerging retail formats.

5 III. Research Design and Methodology

Self-Structured questionnaire has been used for collecting the primary data from consumers of Punjab. Two types of goods have been taken up for the study. These are: Convenience Goods such as Food, Grocery, Beverages, Confectionaries, Personal Care products, Stationary and Gift items and Shopping Goods such as Clothing, Footwear, Jewellery, Furniture, Appliances and Home Furnishing. Similarly, attributes are also divided into two parts: Store Attributes such as Ambience, Location, Dressing rooms, Cleanliness of store and Good Parking facility and Product Attributes such as Quality, Reasonable price, Variety of brands, Warrantee of products and Exchange facilities.

The study selected a total of 500 consumers from the major cities of Punjab. The purpose of selecting Punjab as a sample is based on the assumption that Punjab characterizes a rich state with the modern cities being equipped with all kinds of emerging retail formats. Moreover Punjab is a state where people are fond of spending. According to India Today (2011), a leading magazine in India, Punjab has been adjudged the best overall state since 2003 and it has been able to retain the top position till 2011. Punjab affords the best quality of life to its residents. The present Punjab is divided into three natural regions: Majha, Doaba and Malwa.

6 a) Data Collection

For the purpose of carrying out this study both primary as well as secondary data have been used. 500 consumers have been taken for the purpose of carrying out the survey, 1200 questionnaires were distributed to the urban consumers from different regions of Punjab, i.e., Majha, Doaba and Malwa equally distributed in all regions. Out of which 500 questionnaires (180 from Malwa, 160 from Majha and 160 from Doaba region), complete in all aspects have been chosen for the study. Sources used for collecting the secondary data are Indian Retail Forum, India Stat Data Base, India Premier Data Base and other reports used to analyze overall retail scenario.

IV.

7 Analysis a) Attributes of Emerging Retail Formats

The first objective of the study was: O1: To study the attributes that influence consumers' preferences towards emerging retail formats.

The attributes considered in the present study include: Product attributes and Store attributes. Analysis has been done on the basis of factor analysis to understand preferred attributes for malls, hyper/super markets and specialty stores. The related hypothesis is: H 1 : Store attributes may influence consumers more than product attributes to shop from emerging retail formats.

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8 . Factor analysis on Product Attributes of Malls, Hyper/Supermarkets & Specialty Stores

The present study has used factor analysis to club the number of variables into major factors. Factor analysis has been conducted on consumer preferences of product attributes from all the retail formats (taken in the present study) like malls, hyper/supermarkets and specialty stores. With the help of factor analysis, the product attributes for all the retail formats have been emerged in two important factors as shown in Table 4.1.

Comparative view of important product attributes for different retail formats as per consumers' perspective has been depicted through Table 4.1. If consumer is going to mall for shopping, then assortment of merchandise is very important attribute as it scores higher loading value. In case of Hyper/supermarkets, availability of products and proper display are the important attributes for consumers.

Improved quality scores higher loading (.904) for shopping in specialty stores. So, it is clear from the results that quality is the most important product attributes for consumer to shop from specialty stores. Cumulative variance explained by these factors is highest for Specialty stores, followed by malls and hyper/supermarkets. Factor analysis has also been applied on store attributes in order to recognize the important factors covering different attributes. It helped in classifying items into two major factors for all the retail formats. These two factors account for 68.578% of total variance in case of malls; 61.632% of total variance in case of hyper/supermarkets; and 69.656% of total variance in case of specialty stores.

For malls in factor I higher priorities have been accorded to: Parking Facility; Adequate Dressing Room; and In-Store Promotions. For Hyper/ Super markets top prioritized items are: Better Location; Parking facility; and Pleasant ambience. For Specialty stores these are: Parking Facility; Children play area; and Pleasant Ambience.

In case of Factor II for malls the dominating items are: Trained sales personnel; and Convenient shopping hours. For Hyper/ Super markets Children play area and Trained sales personnel were given preference. For specialty stores Trained sales personnel; and Convenient shopping hours had higher item loadings. On the basis of overall analysis it can be inferred that Parking Facility, Pleasant Ambience; convenient working hours; and trained sales personnel are preferred store attributes.

Results as highlighted through table 4.1 and 4.2 show that in case of malls cumulative variance explained for store attributes was 68.578, and for product attributes it was 63.921. In case of Hyper/Supermarkets cumulative variance explained for store attributes was higher (61. 632), and for product attributes (57.913). Similar trend was observed for specialty stores where cumulative variance for product attributes was 67.925and for store attributes it was 69.656. Thus results support hypothesis H 1 : Store attributes may influence consumers more than product attributes to shop from emerging retail formats.

After analysing store and product attributes the next objective of the study was:

O2: To study the product-wise preferences of consumers' from emerging retail formats.

The study tried to cover two types of goods, viz. convenience goods and shopping goods to understand consumers' preference regarding the product type. The related hypothesis is: Results depicted through 4.3 highlight the consumers' preferences of shopping goods from different retail formats like malls, hyper/supermarkets and specialty stores. It is clear from the above results that consumers' prefer specialty stores for buying all the shopping goods as it scores higher mean value as depicted through figure 4.1. From the above Table 4.4, it has been observed that consumer prefer hyper/supermarkets more for convenience goods as compared to malls and specialty stores because of higher mean scores. Overall analysis depicts that mean score for purchasing shopping goods (3.13) from malls is more than for convenience goods(2.98). Similar trend is observed for purchasing from specialty stores, where mean score for shopping goods is (3.81) while for convenience goods it is (3.60). For hyper super markets the mean score is higher for convenience goods (3.55) as against (3.15) for shopping goods. Hence. hypothesis H 2 : Consumers may prefer to buy shopping goods rather than convenience from emerging retail format is partially accepted. H 2 :

9 Conclusion

The three preferred Store attributes for malls are: Parking facility; adequate dressing room; and Instore promotion counselling sessions. For Hyper Super markets the three preferred Store attributes area: Better Location; Parking Facility; and Pleasant Ambience. For Specialty Stores these are: Parking Facility; Children Play Area; and Pleasant Ambience.

9 CONCLUSION

For Product attributes consumers of mall have shown preference for: Assortment of Merchandise; Nice Packaging; and Improved Quality. For Hyper-super markets these are: Availability of Products; Proper Display; and Nice packaging. In case of Specialty stores Improved Quality; Proper Display; and Exchange Facilities.

Overall analysis depicts that mean score for purchasing shopping goods (3.13) from malls is more than for convenience goods (2.98). Similar trend is observed for purchasing from specialty stores, where mean score for shopping goods is (3.81) while for convenience goods it is (3.60). For hyper super markets the mean score is higher for convenience goods (3.55) as against (3.15) for shopping goods. Hence, hypothesis H 2 : Consumers may prefer to buy shopping goods rather than convenience from emerging retail format is partially accepted.

Preferred Convenience goods from Malls are: Food & Grocery; Gift Items; and Personal care. Personal care products are most preferred convenience goods followed by Food & Grocery and Gift Items. For specialty stores the preference order is: Magazine & Books; Personal care; and Stationery.

For shopping goods from Malls highest preference has been accorded to Home Furnishing; followed by Bags & Baggage; and Home appliances. In case of hyper-super markets these include: Bags & Baggage; Home Appliances; and Home Furnishing. In case of Specialty stores the highest preference has been given to: Jewellery; Footwear; and Clothing. VI. [1] [2] [3]

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Figure 1: Figure 4 . 1 :

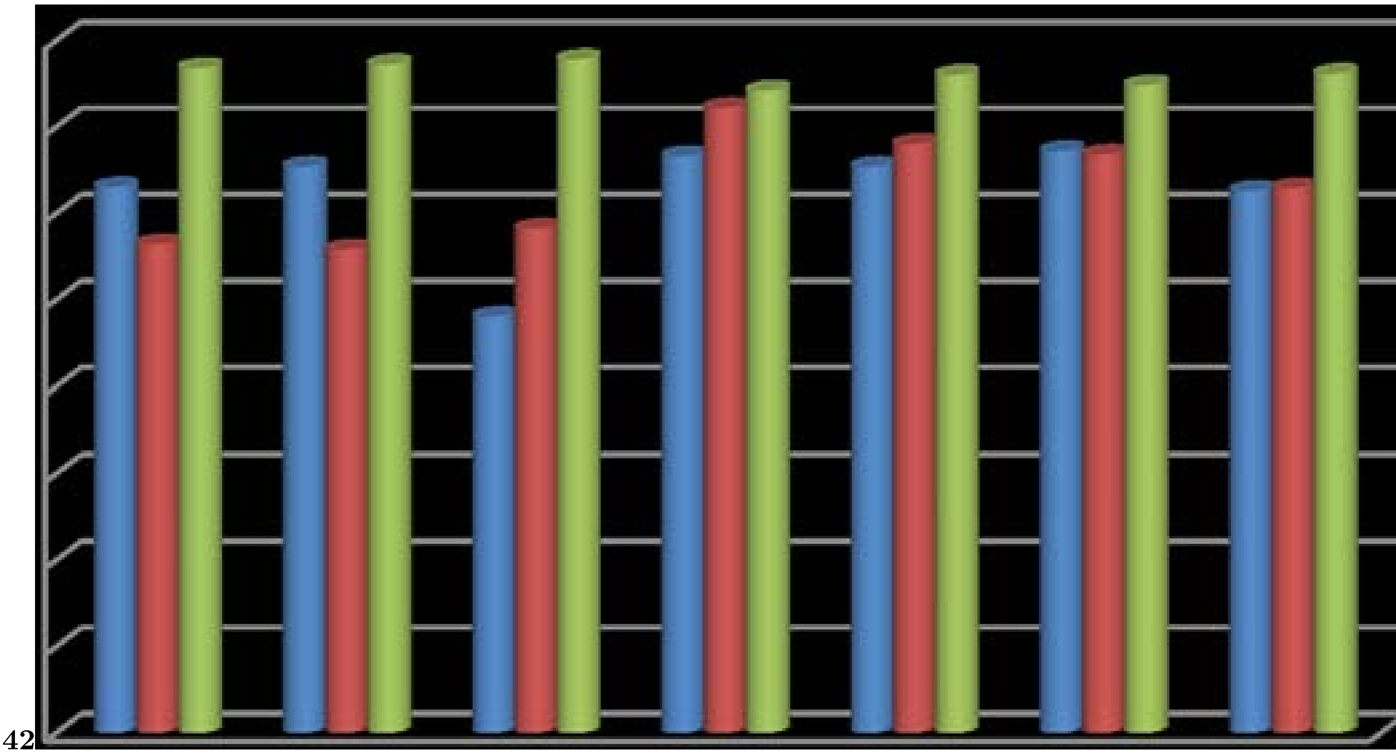

Figure 2: Figure 4 . 2 :

store attributes. This has been verified from the results of previous studies by various researchers. Erdem et al. (1999) examine the linkage between consumer values and the importance of some salient store attributes. The study indicated that the important judgments for store attributes were influenced by the set of terminal and instrumental values viewed as important by the shoppers. Thang et al. (2003) and Dalwadi et al. (2010) supported that consumers' choice of shopping malls over traditional market stores is influenced by various factors like location, ambience, assortment, sales promotion schemes and in-store services. The facility of one stop-shop had a positive response from the consumers, who found it more convenient, time saving and satisfactory. Mittal & Mittal (2008) and Gupta el al. (2011) suggest that the retailers' marketing strategy will have to take into account two sets of attributes: (1) loyalty drivers, and (2) shopping experience enhancers. These attributes will have to be integrated into the retail format. According to Jayaraman and Aggarwal (2001), Rajagopal (2007), Jain and Bagdare (2009) and Jacobs et al. (2010), layout, ambience, display, self service, value added services, technology based operations and many more dimensions with modern outlook and practices are the major determinants of emerging retail formats.

II. Literature Review

Literature review has been consi

following two sections:

Attributes of Retailing

Type of Goods

a) Attributes of Retailing

Emerging retail formats like mal

discount stores, hyper/supermarket

stores,

convenience stores and department stores are accepted by consumers due to their salient product and

[Note: The formats considered in the present study are i. Malls: Malls ranging from 60,000 sq ft to 7, 00,000 sq ft, are the largest form of organized retailing today. These lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a single roof. ii. Hypermarkets/Supermarkets: Hypermarkets and Supermarkets are the latest formats located in or near residential high streets. Hypermarkets carry a product range varying from Foods, Home-ware, Appliances, Furniture, Sports, Toys and Clothing; and Supermarkets are large self -service outlets, catering to varied shopper needs and mainly focus on Food and Grocery and personal sales. iii. Specialty Stores: These stores especially cater to consumers who are looking for assorted brands at one store. For instance, apparel stores, sporting goods stores, furniture stores and book stores are some of the examples of specialty stores.(Kotler, 2006;Sinha &Uniyal, 2007 andJasola, 2007).]

Figure 3:

	Product Attributes/Malls	Factor I	Factor II	Product Attributes/ Hyper-supermarket	Factor I	Factor II	Product Attributes/ Specialty Stores	Factor I	Factor II
	1. Assortment of Merchandise	.852		1. Availability of Products	.836		1. Improved Quality	.904	
	2. Nice	.818		2. Proper Display	.781		2. Proper	.868	
	Packaging	.801		3. Nice packaging	.741		Display		
Year	3.Improved Quality	.668 .522		4. Exchange Facilities	.618 .517		3. Exchange Facilities	.860	
4	4. Proper Display			5.Improved Quality			4. Nice	.850	
Volume XVI Issue I Version I	5. Reasonable Price Eigen Value % of variance Cum. Variance AVE	2.867 35.844 35.844 .551		Eigen Value % of variance Cum. Variance	2.648 33.09 4 33.094 .501		packaging Eigen Value % of variance Cum. Variance	3.282 41.023 41.023 .758	
Global Journal of Management and Business Research ( )	Construct 6. Availability of Brands 7. Availability of Products 8. Exchange Facilities Eigen Value % of variance Cum. Variance AVE Reliability	.857	.817 .784 .711 2.246 28.078 63.921 .596	6. Assortment of Merchandise 7. Reasonable Price 8. Availability of Brands Eigen Value % of variance Cum. Variance	.83	.864 .734 .686 1.986 24.819 57.913 .585	5. Availability of Products 6. Availability of Brands 7. Assortment of Merchandise 8.Reasonable Price Eigen Value % of variance Cum. Variance	.926	.805 .796 .747 .550 2.152 26.902 67.925 .536
	Construct Reliability © 2015 Global Journals Inc. (US) 1		.815			.807			.819

Figure 4: Table 4 . 1 :

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Store Attributes/ Malls	Factor I	Factor II	Store Attributes/ Hyper-supermarket	Factor I	Factor II	Store Attributes/ Specialty Stores	Factor I	Factor II
1. Parking facility	.953		1. Better Location	.880		1. Parking Facility	.959	
			2. Parking Facility	.818		2. Children Play Area	.810	
2. Adequate dressing room	.787		3. Pleasant Ambience	.761		3. Pleasant Ambience	.706	
3. In-store promotions	.751		4. In-Store Promotions	.557		4. Adequate Dressing Room	.703	
4. Pleasant ambience	.685					5. In-Store Promotions	.695	
5.Children play area	.655							
Eigen Value	3.495		Eigen Value	2.708		Eigen Value	3.343	
% of variance	43.691		% of variance	33.852		% of variance	41.785	
Cumulative Variance	43.691		Cumulative Variance	33.852		Cumulative Variance	41.785	
AVE	.598			.583			.610	
Construct Reliability	.880			.84			.885	
6. Trained sales personnel		.846	5. Children play area		.912	6. Trained sales personnel		.821
7. Convenient shopping hours		.763	6. Trained sales personnel		.798	7. Convenient shopping hours		.779
8. Better location		.549	7. Adequate dressing room		.664	8. Better location		.754
			8. Convenient shopping hours		.548			
Eigen Value	1.991		Eigen Value	2.222		Eigen Value	2.230	
% of variance	24.887		% of variance	27.780		% of variance	27.871	
Cumulative Variance	68.578		Cumulative Variance	61.632		Cumulative Variance	69.656	
AVE	.533			.552			.620	
Construct Reliability	.769			.827			.830	

Figure 5: Table 4 . 2 :

b) Product-wise Preferences

Table 4.3 : Consumers' Preferences of Shopping Goods across Different Retail Formats

Shopping Goods/ Emerging retail Formats		Malls		Hyper/super markets		Specialty Stores	
		Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
1.	Clothing	3.15	1.14	2.82	1.13	3.84	1.32
2.	Footwear	3.27	1.17	2.79	1.33	3.86	1.36
3.	Jewellery	2.40	1.25	2.91	1.21	3.89	1.53
4.	Bags and Baggage	3.33	1.18	3.61	0.67	3.71	1.17
5.	Home Appliances	3.27	1.13	3.40	0.85	3.80	1.28
6.	Home Furnishing	3.36	1.12	3.34	0.97	3.74	1.35
Overall Mean		3.13		3.15		3.81	

Figure 6:

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Convenience Goods/ Emerging retail Formats		Malls		Hyper/super markets		Specialty Stores	
		Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
1.	Food & Grocery	3.56	1.31	3.92	0.81	3.35	1.32
2.	Personal Care Products	3.35	1.04	4.04	1.09	3.85	1.16
3.	Toys	2.71	1.28	3.42	1.15	3.27	1.28
4.	Magazines and Books	2.38	0.85	2.93	1.09	4.01	1.23
5.	Stationary	2.48	0.75	3.46	1.28	3.77	1.10
6.	Gift Items	3.39	1.01	3.53	1.27	3.34	1.16
7.	Overall mean	2.98		3.55		3.60	

Figure 7: Table 4 .

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