

A study on consumers' motivating factors in shopping at organized retail outlets

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Abstract: In the light of growing market opportunities for the organized retail stores the present study focused on motivating factors of organized retail customers towards these stores. The study considered four important motivating factors for organized retail consumers namely convenient shopping, economic shopping, enjoyment shopping, idea shopping and their impact on visiting organized retail store. The purpose of the paper is to study the motivating factors in the shopping of organized retail store. The impact of demographic variables on motivating factors of organized retail consumers are explained in this paper. The statistical tools like ANOVA, Correlation Analysis and Descriptive Statistics were used for analyzing the primary data. It is found from the study that most of the customers visit the organized retail stores for convenience shopping and to get advantage of sales offers and promotions.

Keywords: Organized retailing, Retail Consumer behavior, Motivating factors, Organized stores, Retailing, Retail Management.

INTRODUCTION

The retailing industry had gained lot of importance in the recent years. The organized retail stores have been attracting consumers from various dimensions. The lifestyle of consumers had drastically changed in the recent years. In organized retail stores the shopping experience is completely different from unorganized retail stores. The involvement of consumers is more while shopping in the organized retail stores. For example consumers are able to touch and learn about products in retail stores like Reliance Digital, Reliance Fresh and D-Mart etc. In the present era there is severe competition among the organized retailing stores.

India was ranked fifth in 2012 on the Global Retail Development Index by AT Kearney. Further the retailing industry is one most attractive for foreign direct investment destinations worldwide [1]. The major types of organized retail stores are departmental stores, hypermarkets, supermarkets, convenience stores, specialty stores and cash & carry stores etc. The major strategies implemented by various types of retailers are offering discounts, low prices, offering value added services and strong supply chain etc.

Need for the Study

The urbanization is increasing at a faster rate in India and the growth of retail sector might be one of the outcomes of it. Many manufactures, entrepreneurs

and businesses have entered into retailing business. There is need to understand the motivating factors of consumers for shopping in organized retail stores. This study provides insights to marketing practitioners, academicians and research scholars. The consumer is the center point in the business world therefore understanding and predicting the consumer behavior is possible through research projects like this study.

REVIEW OF LITERATURE

Mummalaneni [2] had explained about behavior of consumers in online retail stores. The websites characteristics influence the consumers at various stages during shopping in online retailing stores. Prasad and Aryasri [3] had stated that shopper's age, gender, monthly income, and family size have an impact on the retail format choice decisions. The effective retailing marketing strategies also helps to gain competitive advantage. The retailing industry is focusing on providing customized services and attains customer satisfaction. The shopping malls have become attractive places for family outings [4]. According to Das *et al.* [5] the retail personality had an impact on consumer based retailer equity from three dimensions which are store personality, namely sophistication and dependability & empathy.

At present retailers are concentrating on backend systems and supply chains to enhance their efficiency. According to Kusuma *et al.* [6] the retail

industry brings huge opportunities and it is dynamic in nature. Further retailing industry attracts foreign direct investments in India. According to Goswami and Mishra [7] the factors which influence customers with regard to grocery stores are location, cleanliness, quality and trustworthy salespeople etc. Dholokia *et al.* [8] had explained about consumer behavior in multichannel and multimedia retailing environment from the perspective of channel management.

Puccinelli *et al.* [9] had developed a conceptual framework on consumer behavior in retailing and stated that retailers need to understand elements like memory, attitudes, affective processing, attributions, information processing and schema etc. In the recent due to ownership of stores the retailing stores are increasingly standardized and adopting homogenous structures. Further the consumers also believe that there is meaningful difference among different types of retailing formats [10]. The retailing strategies implemented in one country or one region cannot be exactly to another country or region in the era of globalization. The increasing income level and technological development do not lead to convergence behavior among the consumers from the perspective of international retailing [11].

Sengupta [12] had argued that retailing industry is growing at a faster rate not only because of

increasing consumer buying power there are other reasons like desire to provide quality service at low prices by retailers in the present era. The macro and micro level environment had changed for a business in the recent years is another cause for rapid growth of retailing industry [12]. There are several key driving factors which are unique to Indian retail industry are population, distribution and local conditions [13].

From the literature review it is observed that there are several variables which influence consumers for shopping in organized retail stores. In future there could be potential demand for products in organized retail stores. The lifestyles of consumers had changed drastically in the recent years and they are looking for innovative shopping experience.

Objectives of the Study

1. To study the role of different factors of shopping behavior namely convenient shopping, economic shopping, enjoyment shopping and idea shopping in motivating the customers to visit an organized retail store.
2. To find out the difference in responses between different demographic variables like gender and age towards motivating factors of organized retail consumers.

Table-1: Measurement Scale Development

S. No	Construct	Items	Cronbach's Alpha Value	Source of Items
1	Convenient Shopping (CS)	1. I like to visit organized retail stores because large variety of products are available. 2. I like to shop in organized stores because I can find whatever I need at one place. 3. The timing of organized retail stores is very convenient to me.	0.78	(Patel & Sharma, 2009)
2	Economic Shopping (ES)	1. I can take advantage of sales promotions if I visit organized retail stores. 2. I go to shopping at organized retail stores when there are sales or offers. 3. I enjoy looking for discounts when I shop in organized retail stores.	0.71	
3	Shopping Enjoyment (SE)	1. Visiting organized retail stores makes me feel better even if I don't buy anything. 2. I enjoy spending time at organized retail stores. 3. Visiting organized retail stores makes me feel better even if I don't buy anything.	0.81	
4	Idea Shopping (IS)	1. I like to visit supermarkets or organized retail stores because I like to see what the latest fashion is. 2. I visit organized retail stores to know what new products/ brands are available. 3. I go to shopping in organized retail stores to keep up with trends.	0.73	

(Source: Developed by the researcher)

RESEARCH METHODOLOGY

The primary data is collected through structured questionnaire. The secondary data is procured from journals, magazines and electronic sources. The sample size for the study is 130 and simple random sampling method is implemented for selecting the respondents. The respondents were explained about the purpose of the study and they were given questionnaire. The clarifications were given with utmost care to respondents while collecting primary data. The respondents are expected to have shopping experience in organized retail stores for at least three times in the past one year to get qualified for participating in the survey. The measure scale for this study is prepared by using published scale of Patel and Sharma [14]. The items were adopted and modified according to the need of this study. The first part of the measurement scale consists of four constructs with three items each. The second part of the questionnaire

consists of five demographic variables which are gender, age group, education and monthly family income. The statistical software SPSS version 20.0 had been used for data analysis. The hypotheses for this study are developed based on the research objective of the study.

Data Analysis

The demographic characteristics of the respondents are shown in Table 2. It is found that 55 percent of the respondents are male and 45 percent are female. Among the respondents majority of the respondents belong to age group of 28 – 37 years. Out of total respondents 59 percent of the respondents have completed their post graduation and 36 percent have completed their graduation. It shows that almost all the respondents are well educated. Among the respondents 45 percent of the respondents belong to the income group of 10,000 INR to 20, 000 INR.

Table-2: Demographic Characteristics of Respondents

S.No	Variable	Characteristic	Percent
1	Gender	Male	55
		Female	45
2	Age group	18-27 Years	39
		28 – 37 Years	42
		38-47 Years	19
3	Education	Graduation	36
		Post Graduation	59
		Others	05
4	Income Group	Less than 10,000 INR	8
		10,000 INR to 20,000 INR	32
		20,000 INR to 30,000 INR	45
		30,000 INR to 40,000 INR	13
		Above 40,000 INR	2

(Source: Primary Data)

Descriptive statistics

From the above table 3, it can be noted that the Mean value of convenient shopping (CS) behavior is highest i.e. 4.25 among all the selected

factors of organized retailing consumer behavior. Economic shopping (ES) behavior is observed to be the next highest among the sample respondents.

Table-3: Descriptive Statistics

	CS	ES	SE	IS
Mean	4.2590	4.0308	3.3795	3.9436
Std. Deviation	.48272	.57727	.72930	.62827

(Source: From SPSS Output)

Null Hypothesis 1: There is no significant difference between male and female in their responses (gender wise) and their motivating factors namely convenient shopping, economic shopping, shopping enjoyment and idea shopping.

Result: From table 4, it can be observed that the value of P is greater than 0.05 in case of Convenient Shopping, Enjoyment Shopping and Idea Shopping whereas the value of P is less than 0.05 in case of Shopping Enjoyment, which means that the null hypothesis is rejected in case of Shopping Enjoyment.

Table-4: One-way ANOVA for Gender

		Sum of Squares	df	Mean Square	F	Sig.
CS	Between Groups	.013	1	.013	.055	.814
	Within Groups	30.046	128	.235		
	Total	30.059	129			
ES	Between Groups	.446	1	.446	1.342	.249
	Within Groups	42.542	128	.332		
	Total	42.988	129			
SE	Between Groups	4.475	1	4.475	8.931	.003
	Within Groups	64.137	128	.501		
	Total	68.612	129			
IS	Between Groups	.080	1	.080	.202	.654
	Within Groups	50.839	128	.397		
	Total	50.920	129			

(Source: Output of SPSS)

Null Hypothesis 2: There is no significant difference between different age group of respondents and their motivating factors like convenient shopping, economic shopping, enjoyment shopping and idea shopping.

Result: From table 5, it can be noted that the value of P is greater than 0.05 in case of all the four selected motivating factors of respondents (convenient shopping, economic shopping, enjoyment shopping and idea shopping). Therefore the null hypothesis is accepted.

Table-5: One-way ANOVA for Age Group

		Sum of Squares	df	Mean Square	F	Sig.
CS	Between Groups	.888	2	.444	1.933	.149
	Within Groups	29.171	127	.230		
	Total	30.059	129			
ES	Between Groups	1.044	2	.522	1.581	.210
	Within Groups	41.944	127	.330		
	Total	42.988	129			
SE	Between Groups	.287	2	.144	.267	.766
	Within Groups	68.325	127	.538		
	Total	68.612	129			
IS	Between Groups	1.513	2	.757	1.945	.147
	Within Groups	49.406	127	.389		
	Total	50.920	129			

(Source: Output from SPSS)

Null Hypothesis 3: There is no correlation between the factors shopping enjoyment (SE) and idea shopping (IS).

Result: The null hypothesis 3 is rejected. According to table 6, there is positive correlation between SE and IS and the value is 0.325.

Table-6: Correlations			
		SE	IS
SE	Pearson Correlation	1	.325**
	Sig. (2-tailed)		.000
	N	130	130
IS	Pearson Correlation	.325**	1
	Sig. (2-tailed)	.000	
	N	130	130

** . Correlation is significant at the 0.01 level (2-tailed).

(Source: Output from SPSS)

FINDINGS

It is found from the study that majority of the respondents have reported to shop at an organized retail store for the sake of convenience. Another important

factor influencing is economic shopping. It is revealed from the study that the factors like CS, ES, and IS are similar among male and female respondents. A significant difference was noted gender wise, in case of

SE among the sample respondents. Age of the respondent is noted to be insignificant in the shopping behavior. It is observed from the study that there is a significant relationship between Economic Shopping behavior and Idea Shopping behavior of customers towards visiting the organized retail stores

CONCLUSION

It can be concluded from the study that majority of the customers visit organized retail stores for the sake of convenience. They do so due to the availability of large variety of products. The other important motivators to customers for visiting organized retail store include finding everything that they need at one place, the convenient time of organized retail store. Further the study revealed that most of the customers are taking advantage of sales promotions, offers and enjoying, looking for discounts while shopping at organized retail stores. The age and gender of the customers have got no influence in their shopping behavior towards organized retail stores. Another interesting inference can be made out of the study that those customers who are economic in shopping are also interested to search for new products or brands available in the market and keep abreast of the latest trends.

Limitations of the Study

The consumer behavior varies from time to time and the sample size of the study is small. The time and money are also other constraints to conduct an elaborate research study by considering various other factors. The research was conducted in Warangal District in Telangana State and the findings of the study may not be generalized to other geographical locations. The behavior is dynamic in nature therefore after a certain time period the conclusion so this study may not be relevant while formulating marketing strategies.

Future Research

Similar studies can be conducted in other geographical locations. There are other motivating variables like social shopping, and roll shopping behavior which need to be considered by researchers. The demographic variables like marital status and number of family members have not been considered in this study therefore future researchers can study the impact of family size on organized retailing consumer behavior. The longitudinal studies can be conducted to get updated on consumer motivating factors with regard to organized retailing.

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