

INFLUENCE OF DEMOGRAPHIC VARIABLES ON STORE IMAGE
DIMENSION OF SHOPPING BEHAVIOR FOR RETAIL FORMAT CHOICE

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Abstract

The last two decades produced impact on Indian economy by two ways. First the consequences of liberalization and second impact of information technology revolution. Retail sector is also observing dramatic sequences in this regard. The economy is moving between 5 to 9 percent per annum fueled by ecommerce. The Foreign direct investment allowed in single brand, multi brand and cash and carry has opened doors for many. The interaction and competition of international players, domestic players, and tech wizards has made retail sector very interesting to observe. The study observes very interesting aspect i.e. store image. The influence of demographic variables, income, age, gender and occupation on store image was studied. The various age groups preferred organized sector for shopping destination on the basis of store image. Nevertheless the other factors influencing shopping should not be avoided.

Key words

Organized sector, Unorganized sector, store image, demographic variables

Introduction

The last two decades produced impact on Indian economy by two ways. First the consequences of liberalization and second impact of information technology revolution. Retail sector is also observing dramatic sequences in this regard. The economy is moving between 5 to 9 percent per

annum fueled by ecommerce. The Foreign direct investment allowed in single brand, multi brand and cash and carry has opened doors for many. The interaction and competition of international players , domestic players, and tech wizards has made retail sector very interesting to observe.

Retail sector is mainly classified into organized and unorganized formats. According to national accounts statistics of India the ‘unorganized format’ includes units whose activity is not regulated by any statute or legal provision, and /or those, which do not maintain regular accounts.

The neighborhood baniya, paanwala, cobbler, vegetable and fruit vendors, etc. can be kept safely in category of unorganized sector (Shreyaskar, 2006 & Pradhan, 2009). Both organized and unorganized retail format are offering services to customers through various formats. In modern retailing, a key strategic choice is the format. Innovation in retail formats can provide an edge to retailers. Organized retailers in India are trying a variety of formats, ranging from discount stores to supermarkets to hypermarkets to specialty chains. From a customer point of view, the sales appeal of a particular retail store is related to the way the retailer presents the store. The retail format is a place/location/store via which the retailer presents its goods or services to customer. The retailer uses the retail format to give out messages to the customer about the variety of products that will be available, the price the customer can expect to pay, and range of additional services that the retailer may offer to the customer. Further, the retail format could define with its attributes like location, size, merchandise, price, atmosphere and service. According to Burton et al. (2001) shopper is influenced by shopping environment, socio-cultural context and his own personality. The store image discussed in this paper focuses on first aspect i.e. shopping environment.

Literature Review

Shopping behavior is influenced by retail format from where one is shopping. This happens because of changes in total retail experience. The Total retail experience includes all elements of retail formats/offerings that encourage or inhibit consumers during their social context with retailer. While one person may shop at discount retailer, another at neighborhood, a third at full service firm and so on, these diverse shoppers have something crucial in common, i.e. their total retail experience (including everything from parking to check-out counter) in making purchase (Berman et al., 2002). The change in total retail experience results in changing shopping behavior. In India, shopping was primarily an activity undertaken at unbranded unorganized stores located at branded commercial streets in a small pop and son kind of stores, but now a plethora of organized supermarkets, departmental stores, specialist apparels stores spread over several floors have been added (Kaul, 2007). The shopping environment also influences the decision making of customers. Many studies are conducted in this area to understand customers' behavior in different environmental settings. Kotler (1974) highlighted this area of marketing which was largely neglected and considered as unimportant part of product-mix. Kotler used term Atmospherics to elaborate shopping environment. Atmospherics is the effort to design buying environments to produce specific emotional effects in the buyer that enhances his purchase probability. Atmosphere of a particular set of surroundings is describable in sensory terms. The main sensory channels for atmosphere are sight, sound, scent and touch. The fifth sense i.e. taste is not very important from retailers' perspective. Specifically main visual dimensions are color, brightness, size, shapes. The main aural dimensions are volume and pitch. The main olfactory dimensions are scent and freshness. The main tactile dimensions are softness, smoothness and temperature.

Pricing is another key aspect of shopping behavior. It also results in formation of images. Pricing techniques adopted by outlets also influences shopping behavior. Nystrom (1970) in his model discussed how consumer develop image for stores. The core of this model was recognition that consumers, even if they wish to be economically rational in their purchasing decisions, are prevented by lack of information and/or cognitive limitations. Accordingly they are prone to generalize an image of the retailer's overall price level, which is based upon a relatively small number of items. Store selection depends on some major attributes like Place, Period, People, and Purpose (McGoldrick, 2002). Panandikar et al. (2007) found that main attributes of malls that attracts consumer are price/brand, product offer, shop display, previous experience, influence of friends/relatives, influence of sales person, influence of neighbor/companion, and influence of fellow buyer given in order of importance respectively. Sinha et al. (2002) in study on store choice behavior found primary reasons for choosing store are convenience and merchandise. Ambience also was identified as another important factor. Turley and Milliman(2000) divided environment into five categories of atmospheric cues such as the building size and shape , the marquee, exterior windows , parking availability and the surrounding area.

Foundation work was done by Mehrabian and Russell (1974) popularly known as Mehrabian - Russell affect. They found that individual's perception of, and behavior within, a given environment are the result of emotional states created by that environment.

Milliman (1982) identified relation of soothing music and pleasure feeling. . Scents clearly need to be congruent with target consumer preferences/ experiences, as well as with the merchandise and brand being sold (Mitchell et al., 1996). According to Lindquist (1974), store image consists of a combination of tangible (or functional) and intangible (or psychological) factors that

consumer perceive to be found in retail stores. Stewart (1995) writes regarding image that 'The assets that really count are the ones accountant can't count'. Babin and Boles (1998) found that the in-store emotional state of consumers influences both spending and satisfaction with a retailer.

Objective

To understand differences in shopping behavior of different demographic profiles for Organized and Unorganized Retail formats on Store Image Dimension.

Hypothesis

On the basis of above objective the following hypothesis were formed :

H₀₁: Shopping behavior of males, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₂: Shopping behavior of females, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₃: Shopping behavior of respondents in the age group of 21 to 35 years, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₄: Shopping behavior of respondents in the age group of 36 to 50 years, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₅: Shopping behavior of respondents in the age group of 51 to 65 years, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₆: Shopping behavior of business class respondents, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₇: Shopping behavior of service class respondents, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₈: Shopping behavior of self -employed respondents, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₉: Shopping behavior of Housewives, do not differ in organized and unorganized retail formats on Store Image dimension

H₀₁₀: Shopping behavior of respondents having income less than Rs 20000 per month, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₁₁: Shopping behavior of respondents having income in between Rs 21000 and Rs 40000 per month, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₁₂: Shopping behavior of respondents having income in between Rs 41000 and Rs 60000 per month, do not differ in organized and unorganized retail formats on Store Image dimension.

H₀₁₃: Shopping behavior of respondents having income above Rs 60000, do not differ in organized and unorganized retail formats on Store Image dimension.

Research Methodology

Bansal and Choubey (2013) developed scale for shopping behavior and identified six dimensions of shopping behavior namely, Shopping Contentment, Reference Shopping, Store Image, Store Patronage, Enthusiastic Shopping and Shopper Orientation

The third dimension identified was store image (Table 1). The two factor of this dimensions are value shopping and store ambience and aesthetics. Further there are total 8 items in these two factors. These eight items were included in research instrument presented to respondents and

were asked to rate each item on five points likert scale of strongly agree (5) agree (4) neutral (3) disagree(2) strongly disagree (1).

The primary data was collected from 300 respondents in Nashik with the Profile given in Table (2).

The respondents who were presented with this instrument were first rating the items for organized formats. After this they were asked to rate the same items for unorganized formats. The respondents were choosing any one retail category from apparels, grocery and electronic goods for rating above instrument. Further paired t-test was applied to compare influences of selected independent variables gender, occupation, family income, and age of shoppers on the dependent variables i.e. Store Image. Significant differences were calculated at 5% level of significance. As the sample size increases, the t-distribution approaches the Z-distribution in shape and characteristics (Chandan, 2007). Therefore for the large sample of the study, the t-distribution was used instead of Z-distribution.

Results

The responses recorded for 8 items were averaged for each selected demographic variable category i.e. gender (male and female), Age groups (21-35 year, 36-50 years, 51-65 years), Income (less than 20,000 Rs, 21000-40000 Rs, 41000 to 60000 Rs and Above 60000 Rs) and occupation (Business, Service, Self Employed and Housewives) The average score of each category for organized format is compared with average score of unorganized format for the same category using paired t test.

The results of hypothesis testing are given in table (3) and are explained below.

H₀₁: stands rejected

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, the male respondents have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=25.83$) in comparison to unorganized retail format ($X=21.04$).

H₀₂: stands rejected

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, the female respondents have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=26.12$) than in unorganized retail formats ($X=21.65$).

H₀₃: stands rejected

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, respondents in the age group of 21 to 35 years have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=25.87$) than in unorganized retail formats ($X=21.98$).

H₀₄: stands rejected

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, respondents in the age group of 36 to 50 years have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=26.42$) than in unorganized retail formats ($X=21.47$).

H₀₅: stands rejected

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, respondents in the age group of 51 to 65 years have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=25.40$) than in unorganized retail formats ($X=20.02$).

H₀₆: stands rejected.

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, business class respondents have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=27.06$) than in unorganized retail formats ($X=21.11$).

H₀₇: stands rejected.

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, service class respondents have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=25.96$) than in unorganized retail formats ($X=22.27$).

H₀₈: stands rejected.

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, self employed respondents have significantly better opinion about Store Image dimension affecting their

shopping behavior in organized retail formats ($X=25.34$) than in unorganized retail formats ($X=19.87$).

H₀₉: stands rejected.

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, housewives have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=25.25$) than in unorganized retail formats ($X=20.77$).

H₀₁₀: stands not rejected.

Shopping behavior of respondents of respondents having income less than Rs 20000 per month on Store Image dimension, in organized retail format ($X=22.69$) and unorganized retail format ($X=21.39$) do not differ significantly to reject the hypothesis ($p \geq 0.05$).

H₀₁₁: stands rejected.

The hypothesis stands rejected at 5% level of significance ($p \leq 0.05$). Hence, respondents having income between Rs 21000 and Rs 40000 per month have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=23.16$) than in unorganized retail formats ($X=21.11$).

H₀₁₂: stands rejected.

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, respondents having income between Rs 41000 and Rs 60000 per month have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=29.05$) than in unorganized retail formats ($X=21.21$).

H₀₁₃: stands rejected.

The hypothesis stands rejected at 1% level of significance ($p \leq 0.01$). Hence, respondents having income above Rs 60000 per month have significantly better opinion about Store Image dimension affecting their shopping behavior in organized retail formats ($X=34.95$) than in unorganized retail formats ($X=32.51$).

From the results it is very obvious that all respondents holds better opinion about Store Image of Organized formats. They will prefer shopping from Organized formats over unorganized formats on the store image dimension.

The only category not influenced much by store image is people in income group less than Rs 20000. They will not prefer to shop from organized sector because of store image.

Discussion

Overall ambience including lighting, air-conditioning, layout, music, etc. was found positively related with shopping at retail stores. These may not be essentials, but if present, may result in preference for that store. Retailers should take proper care of ambience of outlet. Pricing is another tool available with retailers to build desired image of the store. On the basis of the price charged for the offerings, shoppers build the image of stores. Retailers may position themselves as one which offers customers value of their money. Organized formats seem to be way ahead of unorganized formats in terms of store image. Unorganized formats are required to take urgent

steps to compete with organized formats. It calls for steps to be taken in improving ambience of stores and communicating about value given at outlets to consumers. Some incidences in the country are observed where unorganized formats are jointly competing with organized formats. For example, the associations of unorganized retailers like jewelers and cloth merchants offering special schemes and discounts to customers during the festive season.

Conclusion

The results indicates the shift in preferences of people in tier 2 cities like Nashik. The organized formats are preferred over unorganized format. The image of store is based on two major parameters 1) overall ambience and 2) Price Images. The study reveals that all the respondents irrespective of age, gender income and occupation were rating organized formats higher than unorganized formats as far as image of store are concerned.

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Annexures

Table 1: Details of Store Image Dimension Affecting Shopping Behavior

Dimension	Factors	Items
Store Image	Value Shopping	I think that “The price of a product is indicator of its quality”
		I am very much conscious for price of product during shopping
	Store Ambience and Aesthetics	I think shopping is influenced positively by lighting system of the store
		I think shopping is influenced positively by air conditioning system of the store
		I think shopping is influenced positively by layout of the store
		I think shopping is influenced positively by background

		music in the store
		I think shopping is influenced positively by style of the store
		I like to purchase from store which accepts debit/credit card

Table 2 : Respondents Profile

Variable	Classification	No. of Respondents
Gender	Male	130
	Female	170
Occupation	Business	70
	Service	80
	Self Employed	65
	Housewife	85
Family Income	Up to 20000	87
	21,000 to 40,000	67
	41,000 to 60,000	61
	Above 60,000	85
Age (in years)	21 to 35	120
	36 to 50	98
	51 to 65	82
<u>Retail Category</u>	Apparels (Clothing)	100
	Grocery (Kirana)	100
	Electronic Goods	100

Table 3: Results of Paired t-Test on Store Image Dimension for Selected Demographic Variables

Hypothesis #	Classification of Independent variable	Format	N (Number of respondents)	Means	Standard Deviation	Sig. Value (p Value)
H₀₁	Males	Organized	130	25.83	9.05	0.000**
		Unorganized	130	21.04		
H₀₂	Females	Organized	170	26.12	8.81	0.000**
		Unorganized	170	21.65		
H₀₃	Age 21 to 35 years	Organized	120	25.87	8.60	0.000**
		Unorganized	120	21.98		
H₀₄	Age 36 to 50 years	Organized	98	26.42	8.76	0.000**
		Unorganized	98	21.47		
H₀₅	Age 51 to 65 years	Organized	82	25.40	9.69	0.000**
		Unorganized	82	20.02		

H₀₆	Business	Organized	70	27.06	10.21	0.000**
		Unorganized	70	21.11		
H₀₇	Services	Organized	80	25.96	7.50	0.000**
		Unorganized	80	22.27		
H₀₈	Self-employed	Organized	65	25.34	10.38	0.000**
		Unorganized	65	19.87		
H₀₉	Housewives	Organized	85	25.25	8.67	0.000**
		Unorganized	85	20.77		
H₀₁₀	Income less than Rs 20,000	Organized	87	22.69	8.65	0.050
		Unorganized	87	21.39		
H₀₁₁	Income between Rs. 21,000 to Rs. 40,000	Organized	67	23.16	7.30	0.001**
		Unorganized	67	21.11		
H₀₁₂	Income between Rs 41,000 to Rs 60,000	Organized	61	29.05	9.09	0.000**
		Unorganized	61	21.21		
H₀₁₃	Income above Rs 60,000	Organized	85	34.95	11.49	0.006**
		Unorganized	85	32.51		

***If $p < 0.05$ then hypothesis is rejected at five percent level of significance.**

****If $p < 0.01$ then hypothesis is rejected at one percent level of significance.**

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