An Evaluation of the Effect of Consumer Characteristics on Retail Format Patronage Decisions

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ABSTRACT

Consumer is prime factor in retailing. A customer can adapt various buying roles like initiator, influencer, decider, buyer, preparer, maintainer and disposer in purchasing and using the products. Buying behavior helps marketers learn the intensity and degree of involvement of customers in purchasing the products. Studies that link customer service to factors such as demographic, psychographic characteristics and store format choice are rather limited and under studied despite the fact of the discovery that individual characteristics of consumers influence their shopping behavior. Despite its importance and its contribution toward better understanding of consumer purchasing behavior, there is still lack of research in this area especially in the retail sector. In validating the measurements and investigating 650 questionnaires were filled by shoppers. The research concluded with a discussion on management implications as well as recommendations that suppliers should supply the good in shopping malls through considering their demographic and psychographic responses.

Keywords-- Retailing, Demographics, Purchasing Behavior, Psychographic Profile

I. INTRODUCTION

Retailing influences standard of living, life style and daily survival of the human beings straightforwardly and obliquely by marketing available multi-level of goods and services at reasonable price¹.

Retailing consist the sale of goods or merchandise from a fixed location as a departmental store or by post, in small or individual lots for direct consumption by the purchaser. Now-a-days, majority of top companies of the world are charming in this industry. Technology advances are gaining new dimensions to the retailing industry and the distance of the global retailing is shrinking with development of communication and transport facilities. As a result, the concept of retailing has been expanding across the countries like India through the way of globalization. Therefore, the existing retailers adopting latest changes and challenges to face the completion from related products and services that provide alternative uses for consumers.

Retailing is aimed at the actual or ultimate consumer. It involves willing for personal consumption. A wholesaler does not sell to the ultimate consumer, for the personal consumptions of the buyer. Those who buy from the wholesale are both retailer or institution buyers, and neither buys for personal consumption instead they do so for their business to the retailer for reselling and institutional buyers for the consumption of their institution. Organization buys and purchases in order to perform a task or sell a product effectively and efficiently at a profit. They could exertion in the retail stores on a day-to-day basis. This also means that the vendor becomes completely responsible for the performance of his products at the store level and manages the show for the retailer. The role of the retailer is then restricted to that of an enabler².

II. NATURE OF RETAIL STORES

Retailing has different natures. The first is the market that a physical location where buyers and sellers converge. Usually this is done in town squares, sidewalks or designated streets and may involve the construction of temporary structures (market stalls). On the other words, shops may be at residential streets, shopping streets, few at houses, in a shopping center or mall. But mostly are found in the central business areas of the district. Shopping streets may be for pedestrians only.
The second form is shop or store trading. Some shops use counter-service, where goods are out of reach of buyers, and must be obtained from the seller. This type of retail is common for small expensive items like jewelry and controlled items like medicine and liquor. Self-service, where goods may be handled and examined prior to purchase, has become more common since the 20th century.

A third form of retail is virtual retail, where products are ordered via mail, telephone or online without having been examined physically but instead in a catalogue, on television or on a website. Sometimes this kind of retailing replicates existing retail types such as online shops or virtual marketplaces like Amazon.

III. THE CONCEPT OF RETAILS FORMATS

The retail format is the store ‘package’ that the retailer presents to the shopper. A Format is defined as a type of retail mix, used by a set of retailers. Store Formats are formats based on the physical store where the vendor interacts with the customer. It is the mix of variables that retailers use to develop their business strategies and constitute the mix as assortment, price, transactional convenience and experience. Therefore each retailer needs to evaluate the enablers and deterrents in the retail marketplace. This primarily involves identifying the key drivers of growth, the shoppers’ profile and shopper expectations. It also means evaluating the nature of competition and challenges in the market place. Then the retailer decides the elements of the retail mix to satisfy the target markets’ needs more effectively than its competitors. The choice of retail mix elements will enable it to decide the type of format or structure of business.

IV. REVIEW OF LITERATURE

Jayavijayan, D. and Chitra (2008) identified that a consumer’s retail experience is affected by his/her emotional state, retail store attributes and parking facilities. Individual factors also influence in–store purchase decisions and store loyalty, the factors that adversely influence the retail consumer’s perception of retail store in order of importance are personnel related, product and pricing related, hygiene related, store ambience, parking convenience. Increasing availability of comparative price information through online is make consumers more price-sensitive.

Loudon and Della (1993) identified that the function of several variables involve the customer’s motive for store choices. These determinants include factors like store design, store personnel, advertising and sale promotion, merchandise assortment, physical facilities, customer services and clientele (social-class membership) which have a larger impact on the store choice.

Prasad and Aryasri (2011) made a detailed study on the effect of shoppers’ demographic, geographic, and psychographic dimensions in terms of format choice behavior in the fast growing Indian Food and Grocery retailing. They adopted descriptive research design by applying mall intercept survey method using structured questionnaire for data collection. Both descriptive (mean and standard deviation) and inferential statistical tools like factor analysis and multivariate analysis was used to analyze the data collected from 1,040 food and grocery retail customers from upgraded neighborhood kirana stores, Convenience stores, Supermarkets, and Hypermarkets in conjoint cities of Secunderabad and Hyderabad in Andhra Pradesh in India. The study found that shoppers’ age, gender, occupation, education, monthly household income, family size, and distance travelled to store have significant association with retail format choice decisions. The choice decisions were also varied among shoppers’ demographic attributes.

Mortime and Clarke (2010) in a study conducted on Australian consumers identified the differences between male and female shoppers rating related to the importance of store characteristics within a Supermarket retail environment. Survey was used to gather data from two hundred and eighty male and female grocery shoppers, across four major Supermarkets. A simple-random sample, collection methodology was employed to collect data. The study revealed significant statistical differences between male and female grocery shoppers on all ten store characteristics constructs. Significant gender differences were featured on twenty-eight of thirty scale items tested. The study also revealed that female grocery shoppers considered Supermarket store characteristics more important than male shoppers.

Massara (2010) explained the outlook and preference of customers with respect to retailing context on the basis of shopping mall has been globally demarcated. These kinds of researches explained the choice stores on the basis of hedonic aspects and utilitarian nature of customers. He also stated about the motivation of shopping were stimulated by forces instigating behavior to satisfy internal need states. Dawson proposed that the investigation on shopping motivation has been focused by various researches in accordance with its influence on emotional value of consumers and its influence on trading products.

Kamath (2009) in a study conducted in context of Mangalore city of India, found that consumer satisfaction and loyalty being closely related, the marketing strategies of retailers must focus on customer retention. The authors emphasized that working out strategies in this direction required a thorough understanding of the preferences of the consumers on the attributes that are considered of much significance. They attempted to analyze the consumer’s preferences of the
specific attributes of retail store in Mangalore city. Factor analysis had been used in identifying the main factors. These factors included shopping experience and ease, entertainment and gaming facilities, promotion, discounts and low prices, add-on facilities and services, variety of products, and other factors for shopping convenience.

Bhardwaj (2009) measured the links between attribute perceptions and consumer satisfaction, and between consumer satisfaction and sales performance, in the food retail sector of India. The study relied upon an extensive data set of consumer satisfaction and sales information from approximately 180 consumers. Hypothesis constructed addressed the inherent nonlinearities and asymmetries in these links. The author also provided an example of how firms could use the estimated linkages to develop satisfaction policies that are predicted to increase store revenues. First, the author examined nonlinearities and asymmetries in the satisfaction-sales performance links based on an empirical study. Second, the study advanced the measurement of behavioural links between consumer satisfaction and performance in the food retail sector with firm-specific data. Third, the study showed how firms can employ such results to develop appropriate consumer satisfaction policies. In the case of the cooperating retail company in this study, the results suggested that managers should focus on consumer service, quality and value to affect overall consumer satisfaction and its ultimate impact on sales.

Kotler and Armstrong (2008) state that consumer purchases are influenced strongly by cultural, social, personal, and psychological characteristics which marketers must take into account. Subcultures that include nationalities, religions, racial groups, and geographic regions (having a shared value system based upon common life experiences and situations) play an important role in consumers’ behavior, especially in their preferences for purchase. Likewise, other socio-demographic variables such as family income, age and life cycle stage, education, occupation, are also important.

Jones (2006) examined the connection among the satisfaction and shopping value. He identified that satisfaction of consumers, trustworthiness in oral advertising, expectation of positive attitudes are the vital factors which has greatly influenced both the product and non-product related to both the utilitarian and hedonic shopping value. Based on the intrinsic and extrinsic aspects, value of hedonic and utilitarian can differ. Shopping values are generated based on the functional aspects such as product, stores and quality of service. Here in subsequent episodes, Babin discussed the two important dimensions of shopping values such as Hedonic and utilitarian value.

V. OBJECTIVES OF THE STUDY

1. To understand the concept of Retail patronage decisions and the factors influencing the decisions regarding retail patronage
2. To examine the effect of consumer characteristics (socio-economic, demographic, and psychographic) on retail format patronage decisions in Krishna District.

VI. RESEARCH METHODOLOGIES

The discussion on the methodology, indicate sampling method used, how the data is ascertained, the statistical tools are used in the analysis and sort out the limitations of the study. The methodology adopted for the study is descriptive and empirical.

a. Sampling

Convenience sampling method is used in the present study. Sampling process is carried out in three stages. The first stage is selection of district and the second stage consists of selection of customers.

b. Selection of District

In Andhra Pradesh, one district namely, Krishna district is selected for the study. This district is selected because; it is one of the large populated and high literate areas, Geographical and well developed districts in the state which can possible to expand retail sector.

c. Selection of the study area

The second stage of sample consists of selection of study area. Vijayawada Municipal Corporation is selected due to five strong presences organized retailers are located in Moghalrajapuram, Nidamanuru, Ring Road, Benz Circle, and Govemperpet. Surrounding areas also covered towards neighbouring Kirana stores.

d. Selection of respondents

Respondents were selected on the basis of non-probability convenience sampling. Convenience sampling is a non-probability sampling technique in which respondents are selected because of their convenient accessibility and proximity to the researcher. This method seemed acceptable and appropriate taking into account the exploratory nature of the study. However, efforts were made to select consumers from all cross-sections of population. Respondents were interviewed from each sampled organized retail outlet areas. This technique was used because it is simple and results are representative of the population. A total of 650 consumers of organized (total of 265) and unorganized outlets (385 customers) were selected in this regard.

f. Data collection and Source of Data

Both primary and secondary data were collected for the study. Primary data were collected using two questionnaires. Interviews of consumers were conducted with the customers and the retailers in the selected city of Vijayawada. All the questions were found to be valid and complete because the responses were personally recorded.
by the researcher. Primary data was collected during January-June, 2017.

Secondary data related to the growth of retail sector was collected from retail related publications published by Deloitte, Retail Authority of India (RAI), KPMG, Images, Technopak Advisors, Confederation of Indian Industries (CII), and Knight Frank.

g. Research Instrument

The research uses a questionnaire survey to interpret consumers’ perception towards consumption behaviour in the recent. The questionnaire survey includes: multiple choices, open-ended questions and attitude statements. The researchers used the questionnaire which derived from concepts, theory and related research, to collect the data.

h. Tools used to Data Analysis

- For the purpose of analysis and to facilitate interpretation simple statistical tools like percentages, averages, simple growth rate and compound annual growth rates are used.
- **Analysis of variance (ANOVA)** is a collection of statistical models, and their associated procedures, in which the observed variance is partitioned into components due to different explanatory variables. ANOVA gives a statistical test of whether the means of several groups of data are all equal.
- **The Chi-square ($X^2$)** test is one of the simplest and most widely used non-parametric tests in statistical work. The symbol $X^2$ is the Greek letter chi the $X^2$ test was first used by Karl person in the year 1900. The quantity $X^2$ describes the magnitude of discrepancy between theory and observation.

VII. RESULTS AND DISCUSSIONS

Consumer buying behavior is influenced by the culture and subculture. Habits, likes and dislikes of the people belonging to a particular culture or subculture can affect the marketing efforts of a firm to a great extent. The social class to which the individual belongs tells about the type of products the individual prefers. Other factors that influence the buying behavior are social factors like reference group and family, personal factors like the age, life cycle and occupation, and psychological factors like motivation, perception and attitudes of the customers.

The following demographic factors are influencing the customers retailing format decisions

- Respondent’s by Gender & Retail format choice decisions
- Respondent’s by age group and retail format choice decisions
- Respondents by marital status and retail format choice decisions
- Respondent’s by occupation & retail format choice decisions

A. Respondent’s by Gender & Retail format choice decisions

**Testing of hypothesis**

$H_0$: There is no gender difference in retail format choice decisions

$H_1$: There is a gender differences in retail format choice decisions

| Table1: Statistics on Respondent’s by gender & retail format choice decisions |
|---------------------------------|-----------------|-----------------|-------|
| S.No.  | Retail format               | Gender          |       |
|       |                              | Male            | Female| Total |
|-------|-------------------------------|-----------------|-------|-------|
| 1     | Neighborhood Kirana stores   | 265(68.83)      | 120(31.19) | 385(100.0) |
| N=385 | (60.23)                       | (57.14)         | (59.23) |
| 2     | Supermarkets                 | 175(66.04)      | 90(33.96)  | 265(100.0) |
| N=265 | (39.77)                       | (42.86)         | (40.77) |
| Total | 440(67.69)                    | 210(32.31)      | 650(100.0) |
| Mean  | 220                           | 105             |       |
| SD    | 63.63961                     | 21.2132         |       |
| CV    | 0.28927                      | 0.20203         |       |
| $P$-value @0.05 | 0.136217     |                 |       |
| $F$-value | 5.877778       |                 |       |
| $X^2$ Value | 0.56               |                 |       |
| Results | Rejected                  |                 |       |

Source: Derived from SPSS output

Table1 shows the cross-tabulation results on retail format choice decisions and respondents by gender. The table explains that out of the total respondents, about 67.69 per cent are male and 32.31 per cent are female. At the same time, of the total, 59.23 per cent are customers preferring shopping malls and remaining 40.77 per cent are customers of the retail formats.

It is further revealed that the format choice decisions are not dependent on consumers’ gender attributes. Both kirana store and supermarket formats are
not equally preferred by male and female consumers. It is implicit that gender attributes are affecting consumer’s retail format choices. Among the male, 60.23 per cent preferred supermarket formats and it is 57.14 per cent in case of female. Thus it can be said that, majority of the respondents of male and female are preferred supermarket formats in the study area. But, the mean value of male and female is recorded by 220 and 105. The Standard deviation (SD) 63.634 is more than the female (21.2132). The coefficient of variation (CV) is recorded at lover level at 0.28927 and 0.20203.

The F-value is recorded by around 0.14 at 0.05 (5% level of significant). The ‘F’ value (=variance of the group means divided by mean of the within group variance) which refer the variation between the two categories. The table shows that the p-Value 0.034 is less than the table value (0.05) at 5 per cent level. The X² Value is recorded by 0.56 at 5 per cent level of significance. Table Value 0.45 is more than the X² Value. Thus, the null hypothesis (H₀) is not accepted and accepted the alternative hypothesis (H₁), i.e., There is a gender differences in retail format choice decisions in the study area.

B. Respondent’s by age group and retail format choice decisions

Testing of hypothesis

HO₂: There is no metamorphosis in retail format choice decisions among the customers by their age group.

H₁: There is a metamorphosis in retail format choice decisions among the customers by their age group.

Results of earlier studies show that teens and young adults visit large shopping centers more frequently and spend more money there than at any other virtual or physical shopping venue. As consumers age, both their level of spending and the way they allocate their spending changes. So called “life events” such as getting a first job, marriage, having children, and retirement can all have profound effects on spending patterns. Twenty six per cent of the Nation’s Consumer Units 1 (CU’s) have a reference person 2 under the age of 35, and these families account for less than 23 per cent of total annual consumer spending. On the opposite end of the age spectrum, households headed by someone aged 65 and older account for more than 20 per cent of total households but less than 15 per cent of total spending. Households headed by someone 35 to 64 years old account for the largest share of the population 53 per cent and an even larger share of overall spending 63 per cent. In this context, an attempt is made in this chapter to find out the customers by their age group.

Table2 explains the Statistics on respondent’s by age group and retail format choice decisions in the study area. The respondents are classified in to four groups i.e., A (15-25 Years), B (26-35 Years), C (36-45 Years) and D (46 and above).

| S. No. | Retail format     | Age group     | (A) | (B) | (C) | (D) | Total |
|--------|------------------|---------------|-----|-----|-----|-----|-------|
|        | Neighborhood Kirana stores N=385 |                | 95(24.68) | 140(36.36) | 85(22.08) | 65(16.88) | 385     |
|        |                  | 40.95        | (66.67) | (70.81) | (73.86) |       |
| 2      | Supermarkets N=265 |                | 137(51.70) | 70(26.42) | 35(13.21) | 23(8.68) | 265     |
|        |                  | 59.05        | (33.33) | (29.17) | (26.14) |       |
|        | Total            | 232(35.69)  | 210(32.31) | 120(18.46) | 88(13.54) | 565     |
|        | Mean             | 116          | 105   | 60   | 44   |       |
|        | SD               | 29.6984     | 49.4974 | 35.35534 | 29.6984 |       |
|        | CV               | 0.25602     | 0.4714 | 0.58926 | 0.67497 |       |

| P-value @0.05 | 0.292976512 |
| F-value       | 1.762201    |
| X² Value      | 51.414      |
| Results       | Rejected    |

Source: Derived from SPSS output

It is found that majority of the customers (35.69%) are belonging to 15-25 years of age group followed by the age groups of 26-35 years (32.31%), 36-45 years (18.46%) and above 46 years (13.54%) respectively. In the group A, about 59.05 per cent of the respondents were preferred supermarkets followed by 33.33 per cent, 29.17 per cent and 26.14 per cent in the respective age groups of B, C, and D. on the other side, in the total of respondents who retailing in neighborhood Kirana stores about 24.68 per cent of the respondents are belonging to group A, followed by Group B (36.36%), Group C (22.08%) and group D.

The F-value is recorded by 1.762201 at 0.05 (5%) level of significant. The p-Value 0.2929 is more than the
The table value 2.386 is less than the $X^2$ Value. Thus, the null hypothesis ($H_0$) is not accepted but accepted the alternative hypothesis.

C. Respondents by marital status and retail format choice decisions

Testing of hypothesis

$H_{03}$: There is no difference between married and unmarried in retail format choice decisions

$H_1$: There is a difference between married and unmarried in retail format choice decisions

Table 3 Statistics on respondents by marital status and retail format choice decisions

| S.No. | Retail format       | Marital Status |          |          |          |
|-------|---------------------|----------------|----------|----------|----------|
|       |                     | Married        | Un-married| Total    |
| 1     | Neighborhood Kirana stores | 196(50.91)    | 189(49.09) | 385      |
|       | N=385               | (67.12)        | (52.79)  |          |
| 2     | Supermarkets        | 96(36.23)      | 169(63.77) | 265      |
|       | N=265               | (32.88)        | (47.21)  |          |
|       | Total               | 292(44.92)     | 358(55.08) | 650      |
|       |                     | (100.0)        | (100.0)  |          |
| Mean  |                     | 146            | 179      |          |
| SD    | 70.71068            | 14.14214       |          |          |
| CV    | 0.48432             | 0.07901        |          |          |
| $P$-value @0.05 | 0.000021721 |          |          |          |
| $F$-value | 0.418846 |          |          |          |
| $X^2$ Value | 13.676 |          |          |          |
| Results | Rejected          |          |          |          |

Source: Derived from SPSS output

The table revealed that the format choice decisions are not dependent on consumers’ marital attributes. Both kirana store and supermarket formats are not equally preferred by married and unmarried consumers. It is implicit that gender attributes are affecting consumer’s retail format choices.

Thus it can be said that, majority of the respondents of unmarried preferred supermarket formats in the study area. But, the mean value of unmarried in this regard is 179 and it is recorded by 145 in case of married. The SD value is recorded by 70.71068 is more than unmarried (14.14214). The coefficient of variation (CV) of married and unmarried towards retail shopping in supermarket formats and kirana shops is recorded at 0.48432 and 0.07901.

The F-value is recorded by around 0.418846 at 5 per cent level of significant). The p-Value 0.002 is less than the table value (0.05) at 5 per cent level. The $X^2$ Value is recorded by 13.676 at 5 per cent level of significance.

Table Value 0.455 is less than the $X^2$ Value. Thus, the null hypothesis ($H_0$) is not accepted and accepted the alternative hypothesis ($H_1$), i.e., There is a difference between married and unmarried in retail format choice decisions.

Table 3 explains the statistics on respondents by marital status & retail format choice decisions in the study area. It is clear that about 44.92 per cent of the respondents are married. Of the total, 32.88 per cent of the married preferred to supermarkets and 67.12 per cent chosen neighborhood Kirana stores. Among the unmarried, 52.79 per cent of the respondents shopping at neighborhood Kirana stores and 47.21 per cent were preferred Supermarkets.

It is further observed that among the unmarried, 63.77 per cent of the respondents were preferred to supermarkets but it is 49.09 per cent in case of neighborhood Kirana stores.

D. Respondents by education and retail format choice decisions

Testing of hypothesis

$H_{04}$: There is no difference between respondents by their occupations in retail format choice decisions

$H_1$: There is a difference between respondents by their occupations in retail format choice decisions

Table 4 explains the Statistics on respondent’s by education and retail format choice decisions in the study area. The table revealed that the format choice decisions are not dependent on consumers’ educational status. Both
kirana store and supermarket formats are not equally preferred by the consumers. It is implicit that educational status attributes are affecting consumer’s retail format choices.

Thus, it can be said that 65 per cent of the respondents who have no education are preferred Neighborhood Kirana stores. Meanwhile, the percentage of respondents who preferred supermarkets is increasing with the educational status. About 26.44 per cent of the SSC qualified, 52 per cent of intermediate 60 per cent of UG/PG holders are preferred supermarkets.

The mean value regarding choosing retail formats by respondents of up to SSC are recorded at higher level (130.5) and lowest is found in case of illiterates. The highest SD value is recorded by 86.974 is also recorded in this category. The F-value is recorded by 1.8454 at 5 per cent level of significant. The p-Value 0.00 is less than the table value (0.05) at 5 per cent level. The X² Value is recorded by 48.514 at 5 per cent level of significance. Table Value 3.354 is less than the X² Value. Thus, the null hypothesis (H₀) is not accepted and accepted the alternative hypothesis that there is a difference between respondents by their occupations in retail format choice decisions'.

| S.No. | Retail format                      | No. of Respondents |
|-----------------------------|-----------------------------------|
| 1                           | Neighborhood Kirana stores N=385   |
|                             | No education                      | Up to SSC           |
|                             | 39(10.13) (65.0)                  | 192(49.87) (73.56)  |
|                             | 192(49.87) (73.56)                | 60(15.58) (48.0)    |
|                             | 60(15.58) (48.0)                  | 42(10.91) (39.25)   |
|                             | 42(10.91) (39.25)                 | 52(13.51) (53.61)   |
|                             | 52(13.51) (53.61)                 | **Total**           | 385 |
| 2                           | Supermarkets N=265                |
|                             | No education                      | Up to SSC           |
|                             | 21(7.92) (35.0)                  | 69(26.04) (26.44)   |
|                             | 69(26.04) (26.44)                | 65(24.53) (52.0)    |
|                             | 65(24.53) (52.0)                 | 65(24.53) (60.75)   |
|                             | 65(24.53) (60.75)                | 45(16.98) (46.39)   |
|                             | 45(16.98) (46.39)                | **Total**           | 265 |
|                             | **Total**                        | **Total**           | **650** |
|                             | Mean                              | 30                  |
|                             | 30                                | 130.5               |
|                             |                                  | 62.5                |
|                             |                                  | 53.5                |
|                             |                                  | 48.5                |
|                             | SD                                | 12.72792            |
|                             | 12.72792                         | 86.97413            |
|                             |                                  | 3.535534            |
|                             |                                  | 16.26346            |
|                             |                                  | 4.949747            |
|                             | CV                                | 0.42426             |
|                             | 0.42426                          | 0.66647             |
|                             |                                  | 0.05657             |
|                             |                                  | 0.30399             |
|                             |                                  | 0.24957             |
|                             | **P-value @0.05:**               | **0.0**             |
|                             | **F-value:**                      | **1.845416**        |
|                             | **X² Value:**                     | **48.514**          |
|                             | **Results:**                      | **Rejected**        |

Source: SPSS output

It is concluded from the table that educated are highly preferred supermarkets customers. However, there is no greater variation in CV among the respondents by their educational status. But, the format choice decisions are not dependent on consumers’ educational status. The X² test results also shows the null hypothesis (H₀) is not accepted and accepted the alternative hypothesis (H₁) that ‘there is a difference between respondents by their occupations in retail format choice decisions’.

**E. Respondent’s by occupation & retail format choice decisions**

**Testing of Hypothesis**

H₀: The consumers’ occupation is an influence attribute affecting consumer’s retail format choices

H₁: The consumers’ occupation is not an influence attribute affecting consumer’s retail format choices

The cross-tabulation results shown in table 5 that occupation indicate that retail format choice decision are significantly associated with respondents’ occupation. The results revealed that the format choice decisions are dependent on consumers’ occupation attributes. In total of concerned occupations, majority of employees (68.22%), business (40.63%), and agriculture category (81.25%) and agricultural labour (73.58%) respondents preferred neighbourhood kirana store formats.

Among the respondents who preferred neighbourhood kirana store formats, majority of the respondents were employees (37.92%) followed by business (10.13%), and agriculture category (13.51%) and agricultural labour (20.26%) and non-workers (18.18%). In case of supermarket store formats, majority of the respondents were non-workers employees (25.66%), business (21.51%), and agriculture category (4.53%) and agricultural labour (10.47%) respectively.
Table 5: Statistics on Respondent’s by occupation and retail format choice decisions

| S. No. | Retail format          | No. of Respondents | Employment | Business | Agriculture | Labour | Non-worker | Total |
|--------|------------------------|---------------------|------------|----------|-------------|--------|------------|-------|
| 1      | Neighborhood Kirana stores N=385 | 146(37.92) (68.22) | 39(10.13) (40.63) | 52(13.51) (81.25) | 78(20.26) (73.58) | 70(18.18) (41.12) | 385   |
| 2      | Supermarkets N=265     | 68(25.66) (31.78)  | 57(21.51) (59.38) | 12(4.53) (18.75) | 28(10.57) (26.42) | 100(37.74) (58.82) | 265   |
| Total  |                        | 214(32.92) (100.0) | 96(14.77) (100.0) | 64(9.85) (100.0) | 106(16.31) (100.0) | 170(26.15) (100.0) | 650   |
| Mean   |                        | 107                 | 48         | 32       | 53          | 85     |
| SD     |                        | 55.15433 (12.72792) | 28.28427   | 14.14214 | 35.35534    | 21.2132 |
| CV     |                        | 0.51546 (0.26517)   | 0.20203    | 0.33672  | 0.24957     | 0.66708 |

P-value @0.05: 0.005711
F-value: 1.615533
X² Value : 65.772

Results: Accepted (p-value based)

Source: SPSS output

Regarding the preferences of respondents towards both retail formats, the mean value between the employees is recorded by 107 followed by at 48 (business), 32 (agriculture), 53 in case of labour and 85 is recorded in non-worker category. The SD is varied between 55.15433 (employees category) and 12.72792 (Business category). The highest CV is recorded by 0.88 in agricultural occupation and lowest by 0.24957 is found in non-workers category. The P-value is recorded by 0.00 at 0.05 per cent level of significance. Thus, the null hypothesis ‘the consumers’ occupation is an influence attribute affecting consumer’s retail format choices’ is accepted at 5 per cent level of significance.

It is concluded that between retail format choice decisions are dependent on consumers’ occupation attributes. In case of supermarket store formats, majority of the respondents were non-workers employees (25.66%), business (21.51%), and agriculture category (4.53%) and agricultural labour (10.47%) respectively. It is some extent, reverse in case of Neighborhood Kirana Stores (NKS). Majority of the employees and labour has also preferred the NKS according the study. The P-value derived from ANOVA shows that the statement ‘consumers’ occupation is an influence attribute affecting consumer’s retail format choices’ is accepted at 5 per cent level of significance.

F. Respondent’s by family size & retail format choice decisions

Testing of Hypothesis

H₀₆: The consumers’ family size attributes are affecting retail format choice decisions.
H₁: The consumers’ family size attributes are not affecting retail format choice decisions.

Table 6 explains the Statistics on Respondent’s by family size and Retail format choice decisions in the study area. The results discovered that the format choice decisions are depend on consumers’ family size attributes. Families with 3-5 and above members prefer supermarkets than the Neighborhood kirana store formats, families less than 3 and above five are equally NKS. It is implicit that family size attributes are affecting consumer’s retail format choice decisions.

Table 6: Statistics on Respondent’s by family size and Retail format choice decisions

| S.No. | Retail format          | Respondents’ Family Size |
|-------|------------------------|--------------------------|
|       |                        | 1-3                      | 3-5                      | 5 & above | Total |
| 1     | Neighborhood Kirana stores N=385 | 210(54.55) (75.27) | 123(31.95) (42.86) | 52(13.51) (61.90) | 385   |
| 2     | Supermarkets N=265     | 69(26.04) (24.73)       | 164(61.89) (57.14)      | 32(12.08) (38.09) | 265   |
| Total |                        | 279(42.92) (100.0)      | 287(44.15) (100.0)      | 84(12.92) (100.0) | 650   |
| Mean  |                        | 139.5                   | 143.5                   | 42         |
| SD    |                        | 99.702056               | 28.991378               | 14.14214   |
| CV    |                        | 0.71471                 | 0.20203                 | 0.33672    |

P-value @0.05: 0.005711

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It is concluded that between retail format choice decisions depends on respondents’ by family size also. Families with 3-5 and above members frequently prefer supermarkets than the Neighborhood kirana store formats. The SD regarding the family size and preferring retail format is varied between 14.142 (above 5 members’ families) and 99.702 (1-3 members families category). It is indicated that small families are differed to prefer retail outlets. The highest CV is recorded by 0.71 in 1-3 members’ families lowest by 0.202 is found in 1-5 members’ families. The P-value is recorded by 0.005 at 5 per cent level of significance. Thus, the null hypothesis ‘The consumers’ family size attributes are not affecting consumer’s retail format choice decisions’ is accepted at 5 per cent level of significance.

### VIII. FINDINGS AND SUGGESTIONS

i. The format choice decisions are not dependent on consumers’ gender attributes. Both kirana store and supermarket formats are not equally preferred by male and female consumers. It is implicit that gender attributes are affecting consumer’s retail format choices. **There is a gender differences in retail format choice decisions in the study area.**

ii. Twenty six per cent of the Nation’s Consumer Units 1 (CU’s) have a reference person 2 under the age of 35, and these families account for less than 23 per cent of total annual consumer spending. On the opposite end of the age spectrum, households headed by someone aged 65 and older account for more than 20 per cent of total households but less than 15 per cent of total spending. Households headed by someone 35 to 64 years old account for the largest share of the population 53 per cent and an even larger share of overall spending 63 per cent. **There is a difference between married and unmarried in retail format choice decisions.**

iii. There is a difference between respondents by their occupations in retail format choice decisions’.

iv. It is concluded that between retail format choice decisions are dependent on consumers’ occupation attributes. In case of supermarket store formats, majority of the respondents were non-workers employees (25.66%), business (21.51%), and agriculture category (4.53%) and agricultural labour (10.47%) respectively. It is some extent, reverse in case of Neighborhood Kirana Stores (NKS). Majority of the employees and labour has also preferred the NKS according the study. The P-value derived from ANOVA shows that the statement ‘consumers’ occupation is an influence attribute affecting consumer’s retail format choices’ is accepted at 5 per cent level of significance.

v. It is concluded that between retail format choice decisions depends on respondents’ by family size also. Families with 3-5 and above members frequently prefer supermarkets than the Neighborhood kirana store formats. The SD regarding the family size and preferring retail format is varied between 14.142 (above 5 members’ families) and 99.702 (1-3 members families category). It is indicated that small families are differed to prefer retail outlets.

### IX. CONCLUSION

Retailing consist the sale of goods or merchandise from a fixed location as a departmental store or by post, in small or individual lots for direct consumption by the purchaser. Retailing is aimed at the actual or ultimate consumer. Now-a-days, majority of top companies of the world are charming in this industry. Technology advances are gaining new dimensions to the retailing industry and the distance of the global retailing is shrinking with development of communication and transport facilities. As a result, the concept of retailing has been expanding across the countries like India through the way of globalization. Therefore, the existing retailers adopting latest changes and challenges to face the completion from related products and services that provide alternative uses for consumers.

Customers of both stores have similar perception at some extent on patronage intentions. As per the perception of the customers, future is to big retail malls. However, it may lead to customer exploitation due to customers’ ignorance and promotional measures. Thus, proper directions and guidelines towards shadow price and quality of product should be needed.

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