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A Study of Consumers' Retail Format Choice & Patronage Behaviour in Food & Grocery Retailing at Bengaluru

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Abstract

Retailing in India is an unchartered territory. Retailing in India is gaining attention like never before. Organized retailing is creating euphoria amongst Indian consumers drawing them into malls and trade areas in huge numbers. Retailers are offering newer service dimensions to create unique shopping experience for customers. Shopping for food and grocery products has witnessed a revolution in Indian retail market with the conspicuous changes in the consumer buying behaviour driven by strong income growth, changing life styles and favorable demographic patterns. Most of the food and grocery products reach the consumers through Neighborhood kirana stores which are unorganized. But the very fast changing trends in consumption patterns, food and eating habits of consumers have contributed immensely to the growth and development of 'Western' format typologies such as super markets, convenience stores, discount stores and hyper markets. This desertion aimed to explore and examine the predictability of major constructs (i.e., shopper attributes, store attributes, information sources and situational factors) on retail format choice behaviour in food and grocery retailing from the proposed model based on the identification of research gaps. This research paper also intended to examine the repatronage intensions with chosen store formats. The hypothesised relationships among the major constructs were examined.

The study has revealed various path breaking findings which auger well for the voluminous growth and even development of retail formats in food & grocery retailing in India. The study has elaborately discussed and considered various academic and managerial implications for food and grocery retail industry.

Key Words: Consumers, Retail,Behaviour, Food, Grocery

Introduction

This paper deals with concepts and evolution of retailing; growth and development of global retailing; non-store retailing and special emphasis on Asia Pacific grocery retailing and exclusively focusing on Indian retailing in general and growth and development of food & grocery retailing in particular followed by an overview. Finally, this paper ends with stating the changing trends of store base grocery retail formats.

The word "Retail" is derived from the French Word "Retailer" meaning to 'cut a piece off' or 'to break bulk'. In simple terms this means a first-hand transaction with the customer. Retailing thus might be understood as the final step in the distribution of merchandise, for consumption by the end consumers. It thus consisted of all activities involved in the marketing of goods and services directly to the consumers for their personal, family or household use. Retailing involves a direct interface with the customer and the coordination of business activities from end to end- right from the concept or design stage of a product or offering, to its delivery and post-delivery service to the customer.

A revolution in the shopping habits of the people across the entire world had virtually brought the supermarket to the main street. This revolution was unparalleled in human history as it had engendered the development of distribution system that delivers food and other products to the consumer in unprecedented abundance, variety and quality. It had gone through its natural process of evolution in all areas from the initial concept of the supermarket and department store to the hypermarket and shopping mall. It was believed that the first true department store in the world was founded in Paris in 1852 by Aristide Boucicaut and was named Bon Marche. Then, the department store business was a bare-bones operation. It was only after World War II that retailers in the West began to upgrade their services, facilities and merchandise selection to offer a fascinating array of additional benefits to consumers through organized retailing.

The latter half of the 20th Century, in both Europe and North America, has seen the emergence of the supermarket as the dominant grocery retail form. The reasons why supermarkets have come to dominate food retailing are not hard to find. The search for convenience in food shopping and consumption, coupled to car ownership, led to the birth of the supermarket. As incomes rose and shoppers sought both convenience and new tastes and stimulation, supermarkets were able to expand the products offered. The invention of the bar code allowed a store to manage thousands of items and their prices and led to 'just-in-time' store replenishment and the ability to carry tens of thousands of individual items. Computer-operated depots and logistical systems integrated store replenishment with consumer demand in a single electronic system. The superstore was born. On the Global Retail Stage, little has remained the same over the last decade. One of the few similarities with today is that Wal-Mart was ranked the top retailer in the world then and it still holds that distinction. Other than Wal-Mart's dominance, there's little about today's environment that looks like the mid-1990s.

The Food Retail Industry in the Far East has evolved into what could be called 'the breeding ground' for emerging models with countries like Singapore being the home to some of the big players in the industry in these parts of the world. The presence of all the major players of the retailing industry is found in Singapore. Singapore has 2 hypermarkets, one run by Carrefour and the other by Giant Hypermarket, part of Dairy Farm International. According to the government, there are more than 11,000 market stalls operating in 150 markets located all across Singapore Island. The markets further spread to China, Thailand, and Malaysia thanks to the major support that the local governments provided in creating the necessary regulatory framework in establishing their presence. Singapore, Malaysia and Thailand not only fueled the retail industry within the country, but also attracted hordes of tourists to experience the shopping "experiences" that they created in these islands. The market was also spread to the Gulf Cooperation Council (GCC), political and economic alliance of six Middle Eastern countries-Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman.

Literature Review

The behaviour of shoppers differs according to the place where they are hopping and their involvement level with the act of shopping (Berman and Evans, 2005) and research has also shown that a relationship exists between environment and revenue in retail and service outlet stores (Milliman, 1982). The basic difference however continues to be the maturity of markets and formats. The basic difference however continues to be the maturity of markets and formats. While retail in the West has evolved in terms of formats over the past hundred years, organised retail in India is still a new phenomenon (Pradhan, 2007).

Shopping is the act of identifying the store and purchasing the product. The behaviour of shoppers differs according to the place where they are shopping and their involvement level with the act of shopping (Berman and Evans, 2005). Shopping is a function of the nature of the product, the degree of perceived risk inherent in the product class and the level of knowledge or amount of information about alternatives. Observations of shopper behaviour in the store show that every purchase involves part or the whole of a process that follows a consistent pattern of See-Touch-Sense-Select.

Connolly et al., (1999) have classified shopping behaviours into three categories: a) blinkered mode in which shoppers confidently and efficiently zooming in on familiar brands, with no time or interest in logical label reading or studying product attributes, b) 'magpie' mode in which the shopper allows himself or herself to be distracted and attracted by different brands on display, and c) 'browser' mode in which the shopper behaving more rationally, reading the 'back of pack' copy and invariably comparing prices, ingredients, and seeking more information about product attributes, making piece-value comparisons across various brands.

There is a growing need to evaluate the true drivers of shopping behaviour in the Indian context (Sinha and Banerjee, 2004). The trade mark of Indian retailing, the small kirana shops with a high level of personalised service, is making shoppers reluctant to depart from traditional ways of shopping. The knowledge of consumer shopping behaviour is an essential input to the development of an effective marketing strategy, which is required for the effectiveness, and success of any business (Al-Rasheed et al., 2004). Past research and theories in consumer behaviour have often concentrated on consumer choice behaviour, particularly brand choice behaviour (Sheth, 1983).

Retail format choice and patronage have been widely studied across the world (Sinha and Banerjee, 2004, p.483). For many years, marketing researchers have considered issues related to consumers' retail format choice across various purchasing situations (Moore and Carpenter, 2006). From early studies that examine traditional retail format choice (Williams and Dadris, 1972) to recent inquiry into the non-traditional internet format choice (Keen et al., 2004), the marketing literature has identified several factors that are consumer-related and situational factors that impact retail format choice.

Shopping orientation could be defined as a shopper's style that places particular emphasis on a shopping-specific lifestyle encompassing shopping activities, interests and opinions, and reflecting a view of shopping as a complex social, recreational and economic phenomenon (Visser and Preez, 2001). Shopping orientations are related to general predisposition toward acts of shopping. They are conceptualized as a specific dimension of lifestyle and operationalized on the basis of activities, interests and opinion statements pertaining to acts of shopping (Li et. al 1999).

Monroe & Guiltinan's retail patronage model was refined by Darden who emphasised the importance of enduring and stable shopping orientation determining a shopper's retail format choice (Darden et al., 1980). Darden (1980) developed the patronage model of consumer behaviour, which gave a comprehensive picture of patronage behaviour.

Terminal values, lifestyles, social class, and family were antecedents to shopping orientations. These antecedents with media habits and instrumental values also affected store attribute importance and the evoked store set. The second part of the model was triggered by a stimuli that set the needs queue in motion and started the information search that led to the evoked store set. The evoked store set then influenced store attribute importance leading to patronage intentions and patronage behaviour.

Soonhwa Choi (2000) developed a general model of retail patronage and empirically tested the relationships proposed in the model in the context of discount retail model. Findings of the study supported the hierarchical structure of variables proposed in the discount store patronage model. The results of the structural equation model indicated that consumer's socioeconomic class has strong effect on price perceptions, which are significantly and directly related to attitudes towards discount store shopping, and consequently discount store patronage patterns. Materialistic values and uniqueness desire were found to be positively associated with prestige sensitivity and preference for unique consumer products respectively, which again have influences on store attitude and patronage behaviour. The intervening roles of shopping orientation and store attitude confirmed the validity of the proposed model.

Sinha et al., (2005) developed a format choice of food and grocery retailer based on transaction utility model (Thaler, 1983). They applied conjoint analysis and identified various store attribute utilities in the following hierarchy: ambience, accessibility, price, number of SKUs, type of merchandise, service mode and number of brands influencing retail format choice in the context of Indian food and grocery retailing.

Retail patronage issues have been engaging academic minds ever since the dawn of marketing as a scientific discipline (Bhatnagar, 1998). The ultimate goal of any business is to establish a loyal and profitable customer base in order to ensure future profits and longevity of the business (Grace and O'Cass 2005). Retail patronage describes whether or not respondents visit, spend money at, or shop at their main store (Chetthamrongchai and Davies, 2000). It also includes patronage intentions such as a willingness to recommend or buy, and shopping methods (Baker et al., 2002). Pan and Zinkhan (2006) identify a number of precursors to retail patronage, including quality and price; market relevance, such as store service; and personal factors, consisting of items such as demographics precursors of retail patronage. Repeat patronage or re-patronage extends the notion of patronage to predicting of loyalty outcomes (East et al., 2005).

The importance of examining retail format choice is fueled by the evolution of formats and frequency of cross shopping behaviours among consumers. The cross shopping concept was first discussed in the trade literature in the late 1970s (Cort and Dominguez, 1977). Over the past 25 years researchers have altered the formal definition of cross-shopping to represent different retail contexts. Cort and Dominguez (1977, p. 187) originally defined cross shopping as: when a single customer patronizes multiple types of retail outlets which carry the same broad lines of merchandise, are operated by a single firm, and are designed to appeal primarily to different target segments.

Objectives

1. To study the growth and development of food and grocery retailing in general and retail formats such as Neighbourhood Kirana Stores and Supermarkets in particular

2. To examine the effect of consumer characteristics (socio-economic, demographic, and psychographic) on retail format patronage decisions

3. To examine the effect of temporal aspects such as frequency of visit, purchase volume, and time spent in the store on retail format patronage behaviour

4. To examine the effect of store format attributes on retail format patronage

5. To investigate the effect of situational factors such as task definitions andperceived risk on retail format patronage

6. To derive marketing implications from the information gathered

Research Methodology

Study Area: The study area for the research was held in Bengaluru.

Sample Size: The sample size for the study was 100 respondents.

Sampling Technique: The sample techniques selected through the structured questionnaire was random sampling.

Source and Type of Data: Primary & Secondary data are the sources of data were collected from the respondents through interview, meeting & observation & earlier published journals, research papers & online articles.

Research Instrument: Questionnaire was the main instrument used in the data collection.

Data Collating/Processing: The data collection was then collated and analyzed using SPSS package.

Hypothesis

H10: Shopper characteristics are not the significant predictors of retail format choice decisions in relation to:

H10a: Age; H10b: Gender; H10c: Marital Status; H10d: Education, H10e: Occupation; H10f: Monthly Household Income; H10g: Family Size, H10h: Distance Travelled to store

H20: Shopper Psychographic variable do not have significant effect on retail format choice decisions.

H20a: Values; H20b: Activities; H20c: Interests; H20d: Opinions; H20e: Shopping orientations

H30: Temporal factors do not have significant association with retail format choice decisions in relation to:

H30a Shopping Frequency; H30b Purchase Volume; H30c Time Spent for Shopping

H40: Situational factors do not have significant impact on retail format choice decisions in relation to:

H40a: Task Definitions; and H40b: Perceived Risk

H50: Determinant store attributes do not have significant effect on retail format choice decisions in relation to:

H50a: Location; H50b: Merchandise; H50c: Customer service, H50d: Price - Promotion; H50e: Store ambience; and H50f: Store facilities.

H60: Store patronage decisions significantly affect re-patronage intentions in relation to:

H60a: Neighbourhood Kirana Store Formats; and H60b: Supermarkets Formats.

Data Analysis

All respondents were adult male and female food & grocery retail customers consisted of 50 female (58.6 percent) and 50 male (41.4 percent) with an average age of 32 years (range 20-62), modal age group 30-40 years and median age was 35 years. The majority of the respondents (86.6 percent) were married and 13.4 percent were un-married. Themajor chunk of the respondents (56.4 percent) had graduation as their educational qualification and least 20 percent had SSC as their minimum qualification. The majority part of the respondents (38.4 percent) were encompass monthly household income INR 20,000 to INR 30,000, followed by (24.5 percent) with Rs. 10,000 to Rs. 20,000, (19 percent) of them were with the aggregated mean monthly household income was Rs 18,560 with 48.3 percent respondents had paid employment as their occupation and 29.8 percent of respondents are belongs to housewife category. The average family size of the respondents was 4.3, and 80 percent of them belonged to higher socio-economic class. A major chunk (33.4 percent) of the respondents had lived within half km from different retail store formats and about 61.3 percent had travelled up to 2 km for shopping food and grocery products. The majority of the respondents (55 percent) had owned two wheeler vehicles and 20 percent had owned four wheeler vehicles. The majority of the respondents (46.8 percent) are not using any transport, and 34.6 had used their own vehicle (two wheeler/four wheeler) for shopping food and grocery products.

Variable	Description	Percent	Mean	S.D
Gender	Male Female	41.4 58.6		
Age	20-30 Years 30-40 Years 40-50 Years 50-60 Years	29.1 36.6 24.8 9.5	32	8.96
Marital Status	Married Un-married	86.6 13.4		
Education	SSC/Diploma Degree PG & above	20.5 56.4 23.1		
Occupation	House wife Employment Business Others	29.8 48.3 14.0 7.9		

Monthly Household Income	< INR10000 INR10000-20000 INR20000-30000 > INR 30000	19 24.5 38.4 18.1	INR 18560	INR 6750
SEC	A B C	19.6 52.0 28.4		
Family size	1-3 3-5 5 & more	27.9 30.7 41.4	4.3	0.762
Purchase Volume	<INR3000 INR3000-4000 INR4000-5000 >INR 5000	174 163 128 115	INR 3,450	INR 680
Distance Travelled to Store	<1 Km 1-2 Kms 2-3 Kms 3-4 Kms >4 Kms	33.4 27.9 18.4 12.9 7.4	1.43	0.37
Mode of TransportUsed	Two wheeler Four wheeler Public/Private Transport None	19.3 15.3 18.6 46.8		

Source: Primary Data

Psychographic Factor Analysis

Factor analysis was conducted to reduce the number of variables for List of values (LOV), lifestyle (Activities, Interests and Opinions) and shopping orientations. Factor models were selected based on KMO (Kaiser-Meyer- Olkin) measures of sampling adequacy criteria (should be as near 1 as possible) which is a goodness of fit coefficient, Bartlett's test of shpericity (should be as close to 0 as possible) which is a badness of fit test, the Eigen values greater than 1 and amount of variance explained by the model. Each model was estimated using principal components analysis as the extraction method. Varimax with Kaiser Normalisation rotation method assisted in interpreting the data for list of value factors activity factors, interest factors, opinion factors and shopping orientation factors. Factors were labeled based on salient loadings. All loadings below 0.5 were dropped, and the factor analysis was re-calculated. The Cronbach alpha was used to measure internal reliability by unit weighting items with salient loadings in a factor. Results were discussed in the following paragraphs and summarized in respective tables.

List of values

Nine statements concerning a list of values which were derived from the LOV scale, was submitted to factor analysis with Varimax rotation. Three factors with eigenvalue greater than 1 emerged explaining 68.3 percent of the variance with a Kaiser -Meyer -Olkin (KMO) measure of sampling adequacy of 0.916, which is considered acceptable as it is near to 1. The application of Bartlett's test of shpericity clearly revealed that these factors are related at significance level. The scree plot also resulted in the acceptance of three factors with total variance of 68.3 percent. Factor one was labelled "joy seeker", factors two was labelled

internally focused" and factor three was labelled "Dependent on others". Results of the individual loadings, Cronbach's alpha and variance explained with factor labels for LOV.

Factor Label	Statements	Factor Loding	Cronbach Alpha	Variance explained
Joy seeker	Exitement Fun & Enjoyment	0.705 0.648	0.721 0.703	24.3%
Intenally Focused	Self-respect Self-fulfilment	0.696 0.653	0.718	22.6%
Depended on other	Sens of belonging Warm relationships with other Security Accomplishment	0.714 0.689 0.638 0.523	0.703	21.4%

a. Extra Method: Principle Components Analysis, Ration Method: Varimax with Kaiser Normalisation, variance explained 68.3%, p=0.001

Life style factors

A total of 45 statements concerning lifestyle factors such as activities (16 statements), interests (17 statements) and opinions (12 statements) shown in question 2 in part-B were put to factor analysis.The five statements concerning activities were eliminated due to lowloadings such as "give or attend a dinner party" (0.320) "Go on a vacation" (0.313), "Go to a nightclub or dance" (0.326), "Engage in hobbies or "do-it yourself projects" (0.318), "I do enjoy making my own decisions" (0.434) and their Cronbach's alpha was 0.24. The remaining eleven statements were reduced to three factors with eigenvalue greater than 1 and accounted for 72.5 percent variance and had Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy of 894 with Bartlett's tests of sphericity revealed that factors are related at significance level. The emerged factors were labeled as per variance explained are entertainment oriented, community oriented, sports oriented and business oriented. Results of the individual loadings, Cronbach's alpha and variance explained with factor labels for activities.

Faxtor Label expained	Statements	Factor Loading	Cronbac Alpha	Variance
Entertainment Oriented	Go to movies Reading books Listening to music	0.749 0.715 0.523	0.741	21.8%
Community Oriented	I am involved in social organizetion I am involved community projects	0.738 0.721	0.725	18.6%
Sports Enthusiast	I Play sports a lot I exercise regularly to stay fit Attend a sporting event	0.705 0.685 0.635	0.717	16.3%
Business Oriented	I am involved in a business organization Travel for business reasons Attend a charitable event	0.725 0.658 0.634	0.708	15.8

a.Extract Method: Principle Components Analysis, Rotation Method. Varimax with Kaiser Normalisation, total variance expained 73.6%, p=0.001

The seven statements concerning interests were eliminated due to low factor loadings such as "Other people usually follow my ideas" (0.482), "I spend a lot of time talking with my friends about shopping" (.381), "I purchase time-saving meals" (0.373), "I am a homebody" (.349), "Go to a festival" (0.347, "Visit an art gallery and/or museum" (0.354), "Dine out in a restaurant (0.347) and their Cronbach alpha was 0.528. The remaining ten statements were reduced to three factors with an overall variance explained of 65.8 percent and had KMO measure of sampling adequacy of 0.936 with Bartlett's test of shpericity revealed that emerged factors are related at significance level. The emerged factors were labeled as per variance and loadings are innovative interests, leadership interests and socio-cultural interests. Results of the individual loadings, Cronbach's alpha and variance explained with factor labels for activities.

Factor label	Statements	Factor Loading	Croncach Alpha	Variance explained
Innovative interests	I like doing things that are new and different I like to use new and different things in my lifetime I like the challenge of doing something that L have never done before	0.714 0.698 0.658	0.754	25.7%
Leadership interests	I like to lead others I like being in charge of group I usually organize people to get things done	0.574 0.709 0.692	0.705	22.4%
Socio-cultureal	Visit or entertain friends or family regularly I entertain at home Give or attend a dinner party Attend a concert or play	0.662 0.681 0.649 0.610	0.727	17.7%

a. Extract Method: Principle Components Analysis. Rotation Method: Varimax with Kaiser Normalisation. Total variance exriance expalnied 65.8%. p=0.001

Factor label	Statements	Factor Loading	Croncach Aplha	Variance explained
Family related	If it is good enough for my wife it is good enough for me also My family is the single most important thing to me I always take opinion of my family	0.763 0.662 0.650	0.718	27.6%
Autonornous related	I am more independent than most people I have more ability than the most people I thinck I have more self confidence than the most people	0.635 0.654 0.621	0.714	24.2%

Intellectual related	I feel confident In my ability to shop I have the ability to choose the right products What you think of your self is reflected by what you buy I consider myself an intellectual	0.771 0.720 0.685 0.649	0.685	21.8%

a. Extract Method: Principle Components Analysis. Rotation Method: Varimax with Kaiser Normalisation. Total variance explained 73.6%, p=0.001

Shopping Orientations

Respondents' shopping orientations were measured using thirty eight statements in the context of Indian food and grocery retailing. These were factor analysed using principle component analysis with varimax rotation. Six statements such as "I go for shopping to find value for money" (0.487), "I go shopping to have a look at products being considered for purchase" (0.436), "I am aware of fashion trends and want to be the first to try them" (0.427), "Sales persons add enjoyment to shopping" (0.402) and "Local stores are attractive places to shop" (0.381) were eliminated due to low loadings. Thirty three shopping orientation statements were reduced to eight factors based on the criterion eigenvalue greater than 1 and examination of scree plot resulted in the acceptance of eight factors.

The eight factors explain 88.1 percent of the total variance and had KMO measure of sampling adequacy of 0.954 which is a satisfactory value nearing 1 with a Barlett's test of shpericity clearly indicated that emerged factors were related at significance level. The emergent factors were labeled as "Variety seeking", "Recreational shopper", "Time conscious shopper", "Local shopper", "Price conscious" and "Experience sharing".

Factor label	Statements	Factor Loading	Croncach Alpha	Variance
Variety Seeking	I do shopping to keep up with trends I do shopping to see what new products are available I like to have a lot of variety in life I like to try new outlets	0.824 0.782 0.771 0.685	0.751	18.5%
Managing stress	I go shopping to make me feel better I feel relaxed after shopping shopping is fun I like to have excitement & fun in doing Shopping Shopping for pass	0.756 0.710 0.654 0.586	0.725	16.3%
Brand Conscious	I prefer to bye national brand name grocery products A well know brand means good quality I try to stick to certain brand and stores	0.689 0.634 0.610	0.716	14.8%
Local Shopper	I owe it to my community to shop at local stores Local stores offer me good products at low price Local store provide better service Local store take more interest in you	0.726 0.696 0.678 0.651	0.731	9.7%
Time Conscious	Shopping the store wastes my time I would like to finish shopping as soon as	0.712 0.705	0.685	12.5%

	possible I shop where it saves my time I usually buy from the nearest store I never seem to have enough time to do things I want to do	0.692 0.690 0.578		
Price Conscious	The price of product is good indicator of its quality Higher the price of products, higher is the quality Lowest price offers attracts me I buy as much as possible at discount prices i usually watch the advertisements for sales promotions	0.764 0.752 0.743 0.715 0.683	0.784	6.4%
Information Seeking	I often go shopping to get ideal though no intention of buying I generally seek help while shopping I would discuss with others before deciding on the purchase Check with other at the store about a new products	0.963 0.632 0.586 0.543	0.686	5.8%
Experience Seeking	I like to share my shopping experience with my friends Shopping would provide me social experiences outside home I like to go shopping with friends/family	0.654 0.598 0.531	0.635	4.1%

a. Extract Method: Principle Components Analysis. Rotation Method: Varimax with Kaiser Normalization, total variance explained 88.1%, p=0.001

Respondents Shopping Behaviour

Majority of the respondents (57 percent) revealed that they had always shopped food and grocery products from various retail formats for their household consumption. About 32 percent revealed that they had frequently shopped and the rest of 11 percent occasionally shopped food and grocery products from different retail formats.

Shopping behaviour	Frequancy	Precent	Cumulative percent
Always	331	57.06	57.06
Frequently	186	32.08	89.14
Occasionally	63	10.86	100.00
Total	580	100.00	–
Source: primaty data			

Respondents retail format choice behaviour

Considering always value (5) and usually (4) on measurement scale, majority (57.59 percent) of the respondents had supermarket formats as their prime store formats for shopping food and grocery products, followed by neighbourhood kirana store formats (42.41 percent). The results revealed that respondents involved in cross- shopping behaviour among different store formats. It is implicit that respondents patronize booth kirana stores and supermarkets for a multiplicity of reasons. The results of retail format choice behaviour towards neighbourhood kirana stores and supermarkets when customers are free to choose formats.

Retail Format Choice	Always (5)	Usually (4)	Occasionally (3)	Rarely (2)	Never (1)	Total
Kirana Store (N=580)	141	105	110	126	98	580
Sunpermarket (N=580)	188	146	128	75	43	580

Note: Respondents were not forced to choose one format over another

source: Primary Data

Purchase Pattern of Food and Grocery Products

About 40.86 percent of the respondents visited booth kirana stores and supermarkets more than once in a week for purchasing food and grocery products, out of which about 23.64 percent each for fortnightly and 21.7 percent once in month. Some 13.8 percent respondents purchased twice in week; 36.82 percent of the respondents likely to purchase once in a week from supermarket, and 46.43 percent of the respondents likely to purchase once in a week from kirana stores. The chi-square results (?2= =25.2,df = 3, p=0.038) also revealed that there was a significant association between purchase frequency / pattern and type of store format. It was implicit from the findings that retail format choice decisions were dependent on purchase pattern. The results of purchase pattern / frequency for food and grocery products at given retail formats.

Purchase Pattern	Twice in week	Once in week	Once in fortnight	Once in month	Total
Kirana Store (N=580)	48	114	51	33	246
Sunpermarket (N=580)	32	123	86	93	334
Total	80	237	137	126	580

Source: Primary Data

Purchase Volume of Food and grocery Products

With an average spending of Rs. 3,450 per month on food and grocery products, majority (30.86 percent) of the respondents were in the category of less than Rs. 3,000. The standard deviation of the purchase volume was Rs. 680. The chi-square statistic results (x2= 67.03, df =3, p=0.001) also revealed that there was a significant association between purchase volume and type of store format. It was implicit from the findings that retail format choice decisions were dependent on purchase volume i.e. amount of purchase volume of food and grocery products per month.

Purchase Volume	<INR3000	INR3000-4000	INR4000-5000	>INR 5000	Total
Kirana Store	106	67	41	32	246
Sunpermarket	68	96	87	83	334
Total	174	163	128	115	580

Source: Primary Data

About 63.27 percent of the respondents are spending less than 1 hour for their shopping needs in kirana stores and 50.29 supermarkets consumers spending less than 1 hour in purchasing of food and grocery products. The chi-square results (?2= =67.53, df = 4, p=0.000) also revealed that there was a significant association between time consumers' spent for shopping and type of retail format. It was implicit from the findings that retail format choice decisions were dependent on time spent for shopping too. The results of time spent for shopping for food and grocery products at given retail formats.

Retail Format Choice	< 1/2 Hour	1/2 Hour to 1 Hours	1 Hour ro 1 ½ Hours	1 ½ Hours to 2 Hourse	>2 Hours	Total
Kirana Store (N=580)	113	86	24	13	10	264
Sunpermarket (N=580)	69	99	68	61	37	334
Total	182	185	92	74	47	580

Source: primary sata

Critical store attributes were measured using different statements concerning food and grocery retail formats. Initially, Store attributes had 31 statements, but seven statements such as "Quality Store brands available" (0.479), "easy return purchase policy " (0.438), "credit card facilities are available" (0.412) "Everyday low pricing" (0.395), "Offering customer loyalty programs / club memberships"(0.386), "Product knowledge of sales personnel" (0.345) and "Store is stylish and fashionable" (0.356) were eliminated due to low loadings. Finally, twenty four statements were reduced to six factors based on the criterion Eigen value greater than 1 and examination of scree plot resulted in the accepted of six factors. These six factors explain 86.4 percent of the total variance and had KMO measure of sampling adequacy of 0.982which is the satisfactory value nearing 1 with a Barlett's test of Shpericity clearly indicated that emerged factors were related at significance level explained with factor labels for store attributes.

Factor label	Statements	Factor Loading	Croncach Alpha	Variance
Location / Convenience	Convenient store location Convenient accessibility Convenient opening hours One-stop shopping convenience	0.745 0.732 0.698 0.653	0.762	21.6%
Merchandise	Good quality merchandise available Winder choice / variety of merchandise available Well known branded merchandise available well known branded merchandise for the value of merchandise for the money	0.738 0.729 0.689 0.652	0.797	17.4%
Customer service	Fast checkout lines and prompt service Friendliness of sales personnel Offering value services Availability of sales personnel to respond to my requests/queries Offering personalized services	0.732 0.714 0.691 0.673 0.652	0.715	15.2%

Ambience Promotions	Store ambience lower prices Hight-Low price promotional offers offers Redemption of food voucher/discount coupons	0.734 0.697 0.631	0.708	13.7%
Store Facilities	Refreshment/entertimnet facilities are available Provides comfortable (stress free) shopping parking facilities are available	0.713 0.710 0.657	0.698	8.2%

A. Extraction method: principle components analysis, rotation method: variance with Kaiser Normalization, variance explained 86.4%, p=0.001

Situational variables factor analysis

Situational variables had nine statements. Three statements, namely, "I want to get new ideas or know new products in the market" (0.452), "I perceived physical risk when chosen store delivers unsafe products and unsafe productsand unsafe shopping experience" (0.428) and "I perceive time and convenience risk when it takes more time to find and purchase a product" (0.389) were eliminated due to low loadings. Rest of six statements was reduced to two factors based on the criterion eigenvalue greater than 1 and examination of scree plot resulted in the acceptance of two factors. These two factors explain 71.2 percent of the total variance and had KMO measure of sampling adequacy of 0.861 which is a satisfactory value nearing 1 with a Barlett's test of sphericity clearly indicated that emerged factors were related at significance level 0.005,. The factor one labeled "Task definition" and the second factor.

Factor label	Statements	Factor Loading	Croncach Aplha	Variance
Task Definition	I need something urgent to purchase I am about to purchase products in large quantities This is a routine job for me regular purchase	0.734 0.26 0.718	0.724	36.9%
Perceived Risk	I perceived performance risk when chosen store not delivered the expected benefits I Perceive financial risk when I have to pay more than necessary I perceive psychological risk when chosen store provides unpleasant shopping experience and low social status	0.708 0.686 0.648	0.752	34.3%

A. Extraction method: Principle Components Analysis ,Rotation Method:

Variance with Kaiser Normalization, Variance Explained 75%, p=0.001

Suggestions and Conclusion

The following are the suggestions:

- Though location and customer service are the forte of neighbourhood kirana retailers yet they need to augment customer services by introducing self-service rather over the counter (OTC).
- To address the consumer's see-touch-feel-select concept, it is necessary for kirana retailers to reorient their store design and layout (up gradation of stores) within the given size for better visibility of merchandise and keeping store neat and tidy.
- In the wake of changing consumer needs, tastes and preferences, it is suggested that kirana retailers should increase the product width and depth to retain existing customers and obviate competition from supermarket type store formats.
- Finally, kirana retailers should introduce more quality branded products in order to decrease consumer's perceived performance, physical and psychosocial risks.

The study examined the relationships among the constructs underlying consumer's retail format choice and repatronage outcomes for food and grocery retailing in India. Specifically, the study focuses on the following five questions: (1) Are shoppers' attributes able to influence the retail format choice decisions? (2) Do the determinant attributes of retail format exert any effect on retail format choice decisions? (3) Do the temporal elements have any conspicuous effect on retail format choice decisions? (4) What is the impact of situational factors on retail format choice decisions? (5) Does the choice of retail format affect repatronage intentions? The present findings contribute to the understanding of consumer store choice behaviour in food and grocery retailing in India, an area that has received scant attention within the academic literature. The overall results of this study show that, Indian food and grocery consumers have cross- shopping behaviour in nature. No single retail format seems to be prime in meeting consumer needs / wants. Consumers first choose a store format, and then move to a particular store within the format where they can save time, money and effort. Hence, retaining customer allegiance to a particular retail format is posed as a major task. It is also found that consumers giving due concern to value for money, and see-touch-feel-select concept. Results also emphasize the need for a customized approach to retail marketing.

It is observed that store choice is a hierarchical process which depends on demographic attributes and current needs of a consumer. Findings from statistic also revealed that shopping trip pattern has significant relationship with choice of store formats. The following succinct conclusions are drawn:

1. The results revealed that consumer's age is one of the significant predictors of retail format choice and patronage in food and grocery retailing. 42 percent of the customers belonging to age group 30-40 years, mostly preferring supermarkets, where as the age group of 40-50 years (30.89 percent) were privileged for neighbourhood kirana retail formats for shopping food and grocery products.

2. Significant differences are not found between male and female consumers towards retail format choice. Both neighbourhood kirana stores and supermarkets are equally preferred by male and female consumers. It is worth mentioning that gender does not have any effect on consumer's retail format choice decision.

3. Marital status of consumers does not have any effect on retail format choice decisions. Irrespective of marital status, grocery shopping seems to be routine and task oriented.

4. Consumer's level of education seems to be the significant predictor for choice of neighbourhood kirana, and supermarket formats. It is concluded that awareness and knowledge levels for information processing impacts the choice of formats.

5. Retail format choices differed among occupational categories. 58 percent of consumers from housewives, 57 percent from working category and 69 percent of business category respondents are patronising supermarkets and other category (pensioners and dependents) are preferring neighbourhood kirana stores. Consumers' occu-

pation is also one of the significant predictor for retail format choice decisions.

6. Consumer's monthly household income is also one of the determinants for choice of store formats. Higher income consumers belonging to INR 20,000 and above are more in favour of supermarket formats.

7. Much also depends on family size and its composition. Smaller households prefer neighbourhood kirana stores. 57 percent of consumers with household size 4 and above preferred the supermarkets. Consumer's household size affects choice of retail format.

8. It is worth noting that consumers attach high importance to store location, which highlights the significance of proximity in food and grocery retail format choice. It is concluded that consumers are seeking maximum convenience in food and grocery shopping. Hence, distance travelled to store for shopping grocery products also influences stores format choice decisions.

9. The present study has demonstrated that the personal values, lifestyle factors and shopping orientations serve as underlying consumer's psychographic determinants in segmenting grocery consumers as hedonic, utilitarian, autonomous, and conventional and socializations type.

10. Consumer Values, activates (communal, sports, business and entertainment), Consumer's interests (socio-cultural, innovative, and leadership), and opinions (family related, autonomous related and intellectual related) and shopping motives (variety seeking, recreational, brand conscious, time conscious, price conscious, experience seeking) proved to be the significant predictors of booth kirana and supermarket retail format choices.

11. Temporal elements such as shopping frequency, purchasing patterns, time spent for shopping proved to be the significant predictors of both kirana and supermarket retail format choices.

12. Situational factors also affect retail format choice decisions. Task definitions such as urgent purchase and short fill-ups are positively affecting neighbourhood kirana store formats. Regular and routine based tasks, purchasing bulk and getting ideas, consumers prefer supermarket formats.

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