

Store Patronage and Store Choice Decision of Shoppers

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1. Retail
2. Store choice,
3. Return
4. Determinants

Abstract

Consumers select retail outlets similar to the way they select the other brands by way of undergoing the process from need identification to post purchase behavior! Most of the past literatures focused its attention towards studying the various factors affecting consumers' purchase decision and store choice behaviour. The present paper aims at combining the various store patronage motive factors to extract new factors influencing store choice decision of a modern grocery store in India by using factor analysis. The researchers used a self-administered questionnaire constructed based on the review of literature and arrived on eleven factors (constructs) that were affecting the Store Patronage Behaviour including fifty seven variables. Total of five hundred and twenty two responses were collected using non-probability convenience sampling method of data collection. Chennai city, the capital of Tamil Nadu, was taken as the research area where people have more knowledge about organized retail outlets and also the availability of number of organized retail outlets is more. The researchers used Chi-square test to test the goodness of fit and factor analysis for analyzing the data. The Extraction method used was the Principal Component Analysis and the Varimax Rotated Factor Loading was performed to find out factor wise distribution. From the factor analysis, two factors were extracted and the two factors were being labeled as Store Functional Elements and Store Promotion Elements respectively.

INTRODUCTION

Consumers select retail outlets similar to the way they select the other brands by way of undergoing the process from need identification to post purchase behavior. (Ramesh Kumar, 2004). A Study by Sudaporn Sawmong and Ogenyi Omar, 2004 on the British grocery shopper behaviour also found that the consumers are conscious of cost and benefit. A study by Kim and Kang, 1995 revealed that shoppers think about the shopping efficiency in all aspects including shopping costs, functional utility and experiential aspects of shopping before they select a specific outlet.

Store patronage and store choice are intertwined concepts that many marketing researchers have studied rigorously (e.g., Berry, 1969; Martineau, 1958; Hansen and Deutscher, 1977; Monroe and Guiltinan, 1975; Schiffman et al., 1977; Mazursky and Jacoby, 1986). The store choice and patronage behaviour literature basically centered on

studying the principal attributes that influence a shopper's decisions and on examining the interactions among these attributes. The results indicate that the store selection of shoppers is not based on one attribute but, a set of attributes influence the decision to select a specific store. These factors comprise the image of the store (Abdulla Alhemoud, 2008).

Supporting this argument, there are number of studies conducted with the objective of studying store patronage had explored the relative importance of store patronage motives (Kelly and Stephenson, 1967; Stephenson, 1969; Bellenger, Woodside, 1973; Robertson and Greenberg, 1977; Arnold, et al., 1983;). By reviewing the above studies, the store patronage may be defined as "the reason for patronizing the store, i.e. elements of a retailer's merchandising mix that is critical in customer's patronage decision". According to Moye, (2000) "store patronage behaviour involves a decision process related to where consumers shop, how they shop and what they purchase". Haynes et al., (1994) argues that the store selection is not only influenced by store patronage motives, it also getting affected by retailer's attributes, characteristics of consumers and store choice context. Apart from these attributes the store type, purpose of purchase and consumer segment are the other variables which also affects the store selection behavior. (Hansen and

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Deutscher, 1977; Schiffman et al., 1977; Davies, 1992 Pessemer, 1980.

A substantial level of attention has been given to study the concept of store patronage and most of the research works carried out have focused on the preferences of western consumers. Obviously, studies in the Indian context are less in number. There is a growing need to evaluate the drivers of retail patronage behaviour in the Indian context. The major problem confronting retail management executives is identifying the factors that affect store patronage. Ultimately, an understanding of the above would assist the managers to devise appropriate strategies to protect their market share. The paper therefore, aims at studying the store patronage motive factors influencing the choice of a modern grocery store.

REVIEW OF LITERATURE

Several attributes were found as reasons for store patronage and choice by various researchers in the past. Martineau (1958), classified store attributes into two major categories: functional and psychological, in deciding store choice and image. Location of the store, store layout and assortment of products were coming under the functional category. The effects and feelings produced by functional elements were represented under psychological category. Researchers focused more on the functional attributes than that of psychological attitudes in the subsequent researches on store choice. Six elements were found more significant by Fisk (1961) such as location of the store, merchandise, value for price, sales efforts and other services. Kunkel and Berry (1968) propose twelve significant attributes in store choice such as price, quality, assortment, sales promotion, advertising, sales personnel, fashion of merchandises, store atmosphere, service, location accessibility, reputation and adjustments. In 1969, Berry emphasizes three attributes that principally influence consumer's store choice despite of the store type: namely, merchandise quality and variety, sales men and store atmosphere.

Lindquist (1974), a famous and widely-cited research work on the topic of store image, developed a framework containing nine factors decisive in store image: merchandise, customers visiting stores, physical facilities, service, sales promotion, ease of accessibility, store atmosphere, store location and post-transaction satisfaction, based on reviewing of 19 research articles. A five-attribute scheme that includes product, price, assortment, styling and location was proposed by Doyle and Fenwick (1974). According to Bearden (1977) seven attributes were found significant for store patronage: price,

merchandise quality, assortment of merchandise, store atmosphere, location, parking facilities and friendly staff. Arnold et al., (1983) added the accessibility attribute to the ease of mobility through the store and fast checkout. Greenberg et al. (1985) found product choice, promotion and the store atmosphere to be the most important factors involved in consumer decision making, In their study of the fashion stores in the US. Ghosh (1990) identifies eight prominent elements: location, store atmosphere, merchandise, price, advertising, personal selling, customer service and sales incentive programs.

By study by Hasty and Reardon (1997) categorized store attributes into three general categories: accessibility (location, layout, appearance, and knowledgeable staff), facilitation of sales (low-priced specials, promotional offers and methods of payments accepted) and auxiliary attributes (play areas for children and food court). Solgaard and Hansen (2003) categorize several store elements that were perceived significant for the consumer's evaluation and selection of stores. These attributes include assortment of merchandise, quality of products, sales personnel, store layout, accessibility, cleanliness of the store and store atmosphere. Amit Aggrawal et al., (2010) studied the patronage behaviour at Navi Mumbai. It was found that display of merchandise, variety, price, quality, convenient working hours and easy payment methods were considered as most significant in patronizing a store. The class of crowd in the store was considered as least important in deciding a store.

Thiruvankadam and Panchanatham (2011) found that factors like product quality and variety, sales promotions and store atmosphere are the factors that have high influence than other factors. Even a small change in these factors will have a significant effect on the store patronage of shoppers. Christoph Teller and Jonathan Elms (2012) studied the patronage behaviour of urban retail customers. They have also found that merchandise value and retail tenant mix have a considerable impact on patronage whereas the product range and store atmosphere affect patronage to a medium range. The sales personnel of the store have a little significance in determining the store patronage of urban retail customers. Martı´nez-Ruiz et al. (2012) attempted to determine the factors influencing store attribute perceptions to maximize customer satisfaction. They have identified location convenience, customer services and image aspects of the store, price and promotions were the major drivers of customer satisfaction and retail patronage behaviour. The authors also suggest using "everyday-low-price strategy" to increase the

patronage of more number of retail customers.

METHODOLOGY

The study is descriptive in nature. The researchers used a self-administered questionnaire constructed based on the review of literature. Respondents were briefed on the general purpose of the study, and were asked to respond the questionnaire without any fear. Based on the review of literature, the researchers arrived on eleven factors (constructs) that were affecting the Store Patronage Behaviour including fifty seven variables. Total of five hundred and twenty two responses were collected using Non-probability convenience sampling method of data collection. Chennai city, the capital of Tamil Nadu, was taken as the research area where people have more knowledge about organized retail outlets. Also, the availability of number of organized retail outlets are more.

A pilot study was conducted to measure the reliability of the questionnaire. Items were eliminated from the instrument if they failed to singularly load. A few scale items were removed after the pilot study of the questionnaire. Table 3.1 details the reliability measures of the various constructs. The researchers used Chi-square test to test the goodness of fit and factor analysis for analyzing the data. To find out factor wise distribution Varimax rotated factor loading was performed.

Results

Sample Characteristics

The data was collected from one hundred and twenty respondents' from various retail outlets in Chennai. Table number 1 details the study's respondents profile and

composition.

Sixty eight percent of respondents were female and thirty two percent were male. Forty two percent belong to the age category of thirty one to forty; twenty fore percent were belongs to the age group of forty one to fifty. Forty three percent shoppers were having school education; twenty five percent were completed graduation. Thirteen percent were post graduates and fourteen percent were professional degree holders. Only five percent shoppers were not having formal education. Forty one percent of respondents are earning between ten thousand rupees to twenty thousand rupees; sixteen percent were below ten thousand rupees as monthly income. Fifteen percent of respondents were earning twenty thousand to thirty thousand and fourteen percent of respondents belong to the income category of thirty to forty thousand.

Determinants of Retail Store Patronage

It is necessary to test whether the following eleven factors significantly influence the store choice decision of shoppers. To test this, chi-square test was performed. The following table shows the results of chi-square analysis.

From the analysis it was found evident that all the eleven store patronage factors studied influence store choice. All the above factors were found perfectly significant in determining store selection.

Table No. 1 : Reliability Measures for the Constructs

Constructs	No. of items during pre - test	α (alpha)	No. of items retained
Merchandise	5	.759	5
Price of products	6	.710	5
Sales men	7	.818	7
Location of the store	6	.787	5
Convenience Factors	8	.769	8
Sales Promotions	5	.909	5
Advertising	4	.737	3
Brand Image	5	.810	5
Store atmosphere	7	.791	7
Reputations	4	.865	4
Adjustments	4	.809	3

Primary Data

Table No. 2: Respondents Profile

Gender	Frequency	Percentage
Male	167	32
Female	355	68
Age	Frequency	Percentage
less than 20	12	2.3
21 to 30	84	16.1
31 to 40	223	42.7
41 to 50	127	24.3
51 and above	76	14.6
Education	Frequency	Percentage
No formal education	24	4.6
School education	222	42.5
Graduate	132	25.3
Post graduate	70	13.4
Professional	74	14.2
Monthly Income	Frequency	Percentage
Below 10000	85	16.3
10001 -20000	215	41.2
20001 -30000	76	14.6
30001 -40000	74	14.2
40001 -50000	28	5.4
50000 and above	44	8.4

Source: Primary Data

Table No. 3: Store Patronage Motive Factors and Store Choice

S.No.	Patronage Factors	Chi –square value	Df	P value	Statistical inference
1	Merchandise	293.81	60	0.001	Sig
2	Price of products	286.01	60	0.001	Sig
3	Sales men	368.38	85	0.001	Sig
4	Location of the store	229.32	60	0.001	Sig
5	Convenience Factors	247.04	100	0.001	Sig
6	Sales Promotions	413.34	90	0.001	Sig
7	Advertising	175.92	50	0.001	Sig
8	Brand Image	351.65	90	0.001	Sig
9	Store atmosphere	429.29	100	0.001	Sig
10	Reputations	186.52	65	0.001	Sig
11	Adjustments	109.56	45	0.001	Sig

Source: Primary Data

Table No. 4: KMO and Bartlett's test

KMO and Bartlett's test		
Kaiser -Meyer -Olkin measure of sampling adequacy		0.859
Bartlett's test of sphericity	Approx. Chi -square	242.4
	df	55
	Sig.	0.001

Primary Data

Table No. 5 : Total Variance Explained by Initial Eigen Values

Component	Initial Eigen Values		
	Total	Percentage of variance	Cumulative percentage
1	4.709	42.806	42.806
2	1.751	15.923	58.728

Extraction method: Principal component analysis.

Factor Analysis

In the factor analysis performed, it was found that the eleven factors combined and formed as two factors. The results are shown below:

KMO is calculated using correlation and partial correlation to test whether the variables in our sample are adequate to correlate. A general rule of thumb is that KMO value should be greater than 0.5 to proceed further for factor analysis, by observing the above results from table KMO value is 0.859; therefore we can proceed with factor analysis.

Bartlett's test of sphericity is to find out the relationship between the variables. A p- value is < 0.05 indicates that it makes sense to continue with the factor analysis, it was found that P is < 0.001, therefore it was concluded that there relationships exists between the variables taken for analysis.

As evident from table, the two factors extracted together account for 58.73 per cent of total variance. Hence the number of variables got reduced from 11 to 2 underlying factors. To find out factor wise distribution Varimax rotated factor loading was performed.

Variables: salesmen loaded as (0.774), adjustments loaded as (0.779), price (0.754), location (0.747), merchandise (0.694), atmosphere (0.636) and convenience (0.634), on factor '1'. Thus factor '1' can be named as 'Store Functional

Elements'.

As for factor '2', it is evident that brand image has the highest load of 0.893, advertisement be loaded as 0.779, reputation (0.685) and sales promotion (0.646), this factor can be termed as 'Store Image Elements'.

DISCUSSIONS AND CONCLUSION

From the results, it was found evident that all the eleven store patronage factors studied were having influence on store choice in India perhaps the intensity of each factor may slightly vary compare to the other factors. The study proves that selection of a store is influenced not by one or few factors rather, by all the eleven factors, i.e., product quality and variety, brand image, location of the store, advertising, sales promotions, salesmen in the store, price of products, convenience factors, store atmosphere, reputation and adjustments.

From the factor analysis performed, two factors extracted from the eleven factors studied. The two factors were 1. Store Functional Elements and 2. Store Promotion Elements. The store functional elements include: merchandise, price, salesmen, store atmosphere, location, adjustments, and convenience. The second factor, i.e., store image elements include: brand image, advertisements, sales promotion and reputation.

The results were similar to the findings of Martineau (1958). In his study, he classified store attributes into two major categories: functional and psychological. The functional

Table No. VI: Varimax Rotated Factor Loading Matrix

Store patronage factor	Factor loadings		Communalities (h ²)
	F1	F2	
Merchandise	.694		.405
Price	.754		.569
Salesmen	.774		.600
Location	.747		.582
Convenience	.634		.615
Sales promotion		.646	.540
Advertisements		.779	.607
Brand image		.893	.798
Atmosphere	.636		.712
Reputation		.685	.424
Adjustments	.779		.607
Eigen values	3.99	2.47	
Percentage of variance explained	36.27	22.46	
percentage of cumulative variance explained	36.27	58.73	
Alpha value	0.923	0.881	

elements include: location of the store, store layout and assortment of products but in the present study, the function elements includes also price, adjustments, salesmen and convenience factors. The effects and feelings produced by functional elements were represented under psychological category by Martineau, similarly, the present study also represent the brand image, advertisement, sales promotion and reputation under 'store image elements'.

There is a linkage between these two elements. Only when the 'store functional elements' satisfy the customer expectations created by 'store image elements' such as advertisements and sales promotion etc, the customer will make re-visit to the store and do repeat purchases, spend more time and money in that store, which will naturally build store image and store loyalty. The marketers should take almost care in promoting a store, perhaps, creating over expectations may lead to damage to the intended store image, when the store functional elements does not meet the customer expectations by such promotions. To conclude, findings of the study may be used to further appreciate the complexity of the concept of Store Patronage and Store Choice and also for marketers to develop programs that help to develop Store Image and Store Loyalty among Indian customers!

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