An Empirical Study of Store Choice Model: An Endogenous Construct

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Abstract

Inadequate is the empirical research on store choice model in view of retail store attributes with endogenous construct of store patronage intention of consumer. Conventional wisdom and social science research-based insights for underpinning the design of store environment established elements such as music, scent, crowding and physical attractiveness of the store. Earlier empirical findings lack on key anterior, which include consumers' time and effort as well as the psychological costs such as convenient, economical, risk mitigated shopping experience. The premise on which overall effects in our model rests, is that store attributes influence consumers' cognitive process and develop perceptual framework of store choice criteria — namely, convenience, reputation of outlet, branded merchandise (mediated through perceived quality). This research presents a formal test of the linear regression equation model in the context of store choice behaviour, involving one product category.

The present paper explores these attributes and their affect on consumer from different socio-economic classes, willingness to purchase and to patronize if these factors are modified. Questioning the earlier conclusions that all attributes aforementioned are equally important in consumer decision making, the current results indicate that



consumers place differential significance on each attribute, and the level of significance placed on each attribute varies with different socio economic class. These findings are significantly important to the retail industry as they identify the critical attributes responsible for building consumer choice and patronage among different socio economy classes. This model also paves way for another premise of empirical research, that shoppers might develop category—wise store choice or patronage behaviour model.

Key Words: Consumer Behaviour, socio-economic classification, store choice model, retail industry

I. Introduction

Successful marketing means adopting a holistic marketing orientation that requires – understanding consumers. Exploring consumer buying dynamics, is gaining 360-degree view of consumer daily life and pervasive consumption with changes that are taking place simultaneously. Consumer behaviour as a discipline have been constantly generating and upgrading knowledge and insights into how individual or group select, buy, use and dispose goods or services to satiate their needs and wants.

In general, study of consumer behaviour can be divided into two categories; such as – objective & subjective. Study of "who is she buying for?" and "How much is she buying?" and generally "what is she buying?" can be safely put into objective territory; however, "why is she buying or buys?" and "how is she buying or buys?" fall in the other category of subjective knowledge. Researchers and practitioners have focused upon consumption analysis; which as an area entrusted with the major responsibility to unlock and demystify "how's" and "why's" of the consumer buying process.

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Consumption analysis is a broader framework, which not only discusses as to how people buy, but also issues which occur post purchase such as satisfaction which a buyer receives from the purchase. Consumers want to pay for only products and services those satisfy their needs, therefore process remains incomplete unless marketer thoughtfully understands without ambiguity, as to why consumer buys, thus a firm's strength lies in attracting, satisfying and retaining ever-precious consumers and cross-selling them that effects their bottom-line.

Consumer Behaviour is the extent of decision making processes and acts of people involved in buying and using products. Any marketer would like to understand the following:

- 1. Why consumers make the purchases that they make?
- 2. What factors influence consumer purchases?
- 3. The changing factors in our society.

Contemporary research on consumer behaviour considers a wide range of factors influencing the consumer buying process. These activities commonly include; need recognition, information search, evaluation of alternatives, the building of purchase intention, and the act of purchasing, consumption and finally disposal. This more complete view of consumer behaviour has evolved through a number of discernable stages over the past century in light of new research methodologies and paradigmatic approaches being adopted (Bray, 2008).

Why should a marketer need to understand the customer evaluation process? The logic lies in the kind of information that the marketer needs to enable consumers in different buying situations and help him through the store choice.



A. Indian Retail Industry

The Indian retail industry has experienced growth of 10.6% between 2010 and 2012 and is expected to increase to USD 750-850 billion by 2015. Food and grocery is the largest category within the retail sector with 60 per cent share followed by apparel and mobile segment. Indian retail market is expected to touch US\$ 1.3 trillion by 2020 from its existing level of around US\$ 500 billion. Estimated to be worth more than US\$ 500 billion, the Indian retail industry is considered as one of the world's top five retail markets in terms of economic value. India's strong growth fundamentals along with increased urbanisation and consumerism have opened immense scope for retail expansion. Further, easy availability of debit/ credit cards has contributed significantly to a strong and growing consumer culture in India [6].

India's large and aspiring middle class of 75 million households or 300 million individuals want products that are value-driven. Country's 500 million people under the age of 25 have access to more money that has additionally resulted in independence, aspirations and a demand for products. Factors driving the organised retail sector include the following:

- Higher income driving the consumption of essential and non-essential items [8]
- New technology and lifestyle trends creating replacement demand
- Increase in rural income and urbanisation
- Increase in easy access to credit and consumer awareness
- Growth of modern trade format across urban, Tier I, Tier II and Tier III cities and towns
- Evolving consumption patterns of Indian customers

From the sector's perspective, both consumers and retailers are being negatively affected as currently inflation is supply-based, rather than demand-driven. Before the downturn, consumers subsidized their spending through credit or dipping into savings, but this is no



longer achievable or sustainable. As a consequence both margins and sales are under pressure. Current scenario and future outlook suggests consumer responds to multiple touch points, while the response and selection of medium is need driven, thus it is logical to establish framework for ascertaining importance of socio economic status and their reflection on consumer store selection process, therefore, authors are intrigued by the idea of socio-economic classification and their selection of attributes, it's relative significance in choice making process.

B. Socio-Economic Classification of India

It is imperative to understand the Socio-Economic Status (SES) of the society in order to correlate its impact on income and quality of living. Therefore, social studies focus on socio-economic stratification, to which, the indicators are affordability, selection of store, choice of commodity and finally purchase or consumption pattern. Difference between the earlier SEC and the new one, is number of grades and denominator as in earlier SEC, it was education of chief wage earner and occupation. The new SEC has 12 grades to bifurcate the entire population from both rural and non-rural; this classification is summative indication of education and ownership of life comforting durable products in a household.

A large and educated middle-class and young consumers are helping to drive demand across categories. Studies have also ranked Indian consumers as some of the most confident consumers in the world. This is based on the strength of the economy, personal finances, career growth, increase in consumption, purchase of non-essential products, brand awareness. Also, India's unique demography makes it an attractive market for companies operating across categories. These include apparel, footwear, accessories, mobile phones, personal care, food and beverages, hair-care, etc.



- India has a large and aspirational middle class of 75 million households, often referred as the growth engine of the Indian economy. Middle class wants products, which provides value for money.
- India has a population of 500 million under the age of 25. These young Indians are independent, have high aspirations and access to money.
- Indian rural population presents an opportunity for R&C companies, which they cannot ignore. The agricultural output has been record output, giving a boost to agrobased industries and rural income.

The new SEC system is able to reduce heterogeneity within social grade- and stretch the differences by grade. Authors have used the new socio-economic classification to explore their store choice behaviour, this system of classification is more discriminating and relatively objective, it is similarly applicable in rural framework. Of course, this model may need minor alterations in the light of consumer durable penetration changes, more rapidly than education.

II. Literature Review

(Nelson, Mar-Apr 1970) Consumers are continually making choices among products, but are dimly aware. Not only consumer lack information on the products, but their information may be poorer on the quality aspects of product. One can, for example, easily determine the price of consumables however may find difficult to determine performance wise quality aspects. Consumers weigh these options to determine how well they will solve the problem itself, and consumers compare options to one another to see which in a relative sense represents the best solution.

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(Roger D. Blackwell, 2010) Search and evaluation of alternatives largely occur simultaneously. The Integrated Process Model correctly depicts them as separate steps; however, they do not occur in stepwise fashion. It makes no sense to assume that consumers search for alternatives and information but do not evaluate what they find until the search process ends. In reality, consumers evaluate as they search until, at some point, they find what they believe to be the optimal solution or they perceive the costs of continued search too high and they select an identified alternative or abandon the process altogether. However, the consideration set size vary between consumers and product categories, it may also vary as function of consumer's search behaviour.

(Sanford L. Grossbart, 2001) argues, since there has been a tendency to overlook the fact that customer beliefs about convenience are apt to be highly subjective and related to a set of largely unidentified determinants, inconvenience of traveling to the area, parking and moving between stores as important reasons for the decline of downtown business in cities of all sizes.

(Sunelle Jacobs, 2010) studied store oriented factors responsible for patronage behaviour were location of store, appearance, cleanliness, level of servicing and store opening hours besides this there are product related factors such as quality, price, variety and convenient packaging which were also contributory elements. (H.G. Parsa, 2012 - 2013) Suggests in their study of restaurants that increasing guest satisfaction can lead to increased guest loyalty, which ultimately leads to increased revenues and profitability, researcher agrees as the premise of the study is availability with the endogenous ambition of consumer patronage. (Buckley) studied the internal store environment and excluded the external environment, a store's environment has both affective and cognitive component; the



affective component is pleasure, arousal and cognitive component is information rate i.e. novelty, variety, density and rate.

(A.H. Nelmapius, 2005) argues business firms, in their never-ending quest to be competitive, continuously explore new ways to enhance the utility they can offer to consumers, (P.T.L.P. Leszczyc A. S., 2004) Consumers need more time-efficient shopping, therefore (Sunelle Jacobs, 2010) infers, the stores can be classified as department stores because they supply an assortment of products that may include homeware, clothing, toiletries, detergents and food products organized into specific departments. Whereas a wider product selection was found to play an important role in the consumer's preference for a specialist store (P.T.L.P. Leszczyc H. T., 2001). However, convenience has been found to be a driving force in both the choices of department and specialist food stores as preferred store format (O. Uusitalo, 2001). For instance, marketers create place utility for consumers by making products available where they are needed and time utility. There is sufficient anecdotal evidence that the use of internet can be of considerable value. The potential of the Internet stems from benefits such as enormous data storage capacity; availability 24×7 days a week; ease and convenience of accessibility from any location; absence of physical constraints such as floor space, shelf space, limited product/brand ranges and attribute information (J. Alba, 1997); real-time publishing providing automated updating of information, such as availability and inventory levels; cost reductions of upto 25% (D.L. Hoffman, 1996) in setting up and maintaining an electronic channel, compared to a 'brick-and-mortar' outlet; increased personal safety, through secured home delivery systems; and reduced consideration sets through electronic search agents.



(Amit Aggarwal, 2010) aimed at researching brand preference in terms of retail outlets while purchasing fresh produce, and included characteristics of consumer, place of purchase and its frequency with important store attributes to establish the same. (Arjun Chaudhuri, 2001) suggests in their study that price premiums and market share have been closely related with the concept of brand equity. This uniqueness of brand may derive from the greater trust on reliability or from more favorable affect when used. More so, loyal consumers may use more of trusted brand resulting into greater market share. However, researcher aims to study brand and its effect in the premise of an attribute responsible to mitigate the element of risk thereby reducing the psychological cost i.e. convenience.

It is well known that large increase in total shelf space (e.g., end-of-aisle displays) has strong effects on brand sales (Albert C. Bemmaor, 1991) however; the evidence is less conclusive for in-store marketing changes. Simultaneously, (Drèze, 1994) conducted study, which led them to conclude that shelf position has a limited influence on brand sales and that additional facings have a limited impact, after the minimum level necessary to avoid stock outs has been reached.

(Rao, March, 2009) argues marketers are using extensively short term tactics such as sales promotions to achieve their sales numbers in the marketplace. This is evident from the activities of most companies in the FMCG, durable and services sectors in India. (Priya Jha Dang, 2003) found that FMCG sector was the highest contributor to consumer promotion schemes followed by consumer durables. (France, 1997) discusses, the primary objective of sales promotions is to create an immediate need by adding an extra incentive to buy the product. Such incentives have been divided into monetary (price off,



Rs. off, coupons etc) and non monetary promotions (premium, sweepstakes, and samples).

(C. Whan Park, 1989) states the grocery shopping experience is characterized by (1) multiple buying goals that must be achieved through the processing of a complex array of in-store stimuli such as products, brands, and point-of-purchase information, and (2) repetition at regular time intervals. A high preference for convenience will lead to a growing demand for products the consumer perceives as fulfilling his/her convenience consumption strategy. Hence, characteristics of the product and its marketing become important in motivating convenience preferring consumer segments to purchase a product/service. The spatial variable is inferred from the temporal/economic and variable. Proximity in location or in time offers utility to the consumer in a simple efficiency sense. This spatial sense is colloquially "being in the right place at the right time." (Copeland, 1923) implied in his work as once the consumer recognizes a need, the first opportunity is to fulfill that need. The consumer will prefer to satisfy several needs in one location if given the option, as long as the economic cost incurred is not seen as significant. (Etgar, 1978) resounds that, there is also a psychological variable; the values, personality, opinions, attitudes, abilities, and preferences of an individual will influence his/her choice of consumption behavior.

(Laura Yale, 1986) evaluates the notion of convenience as it appears in the existing marketing/consumer behavior literature and explores the multidimensionality of the concept. Convenience as a Time Dependent Construct operationalised is emphatically implied to be time saving, There are two levels at which convenience becomes an important issue in marketing: 1) the determination of convenience seeking consumer segments, 2) the determination and inclusion of convenience attributes in products and services.

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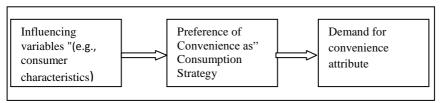


Fig 1: Relation of Convenience Issues

(Pinya Silayoi, 2004) argues the importance of packaging design as mode for communication and branding is growing in competitive markets for packaged food products. The researchers have studied various elements such as graphics & colour, packaging size & shape, product information and packaging technology.

In this research respondents identified with graphics & colour, shape and size and of course product information particularly in case of high-involvement products. (Pinya Silayoi, 2004) found through the research that consumer ascertained product quality by its appearance reflected through packaging. Graphics communicate about the product for both low and higher involvement products, and graphics and colour were among the most highly noticeable factors. Respondent members feel that size and shape are related to usability. While consumers think of product pictures and graphics as a means of communication, discussion about size and shape focused more on packaging as convenient to use and carry. Package shape could not help products to become more appealing. Ambition of the researcher is to see packaging in the new light of; less cost involvement per purchase, understanding that product is fresh with every new purchase and ability of packaging to offer optimum quantity for specific period.

III. Methodology

We conducted the study among 1000 respondents by interviewing shoppers using a structured questionnaire. The respondents are Indian household who regularly buys and



consumes product categories such as, personal care and home care with grocery. Survey questionnaire was administered on total 1000 respondents, unambiguous and clear. Only fully filled questionnaires are considered for the study. Collected data is stratified on the basis of new socio-economic classification, SEC A_1 is studied by total sample size of 383, SEC A_2 has representation of 295 samples and A_3 is represented by sample size of 96, sizable enough to draw inferences.

Consumer-based research and analysis techniques were combined to gain a complete clarity on the consumer decision making and identify desirable product attributes, store attributes that may help marketer to improve better store proposition. This paper focuses on the consumer buying intentions and components of store choice and their relative significance.

Sources of Data

The research relied on both primary and secondary data in order to come up with accurate and objective findings.

1. **Primary data:** Primary data refers to data collected for the first time in the field. James E Burt et al (2009) defines it as data that has been collected for the purpose for which it is originally used. Primary data for this particular research was collected using interviews and questionnaires. 20% of the questionnaires were filled with the help of structured interviews and rest was done with the help of structured questionnaires and enumerators. Primary data collection was given the highest priority in this research as there was limited published material on the subject. For a subjective study like this, primary data is of prime importance because primary data draws information directly from the field. Facts and figures were drawn directly from people because culture exists within a society of people.



2. **Secondary Data:** According to James E Burt et al (2009), secondary data is data that is collected for purposes other than the original use. It is an analysis of data that have already been collected for some other purpose. These may be contemporary or historical and the data may be qualitative or quantitative and usually needs adjustments and validation before being put to use. This data can include survey data and documentary data. Sources used to gather secondary data were documents analyzed and collected from published and unpublished documents and subjectrelevant literature, internal company journals (monthly reports and newsletters) requested from the companies in the FMCG area. Understudy and frequent visits to related websites became crucial in collecting up to date secondary data as well as publications by renowned authors on subjects such as consumer behaviour, Fast Moving Consumer Goods (FMCG), consumer decision making etc. Use of secondary data saves time and money since the work has already been done to collect the data. It avoids the problems associated with the data collection process. Unlike primary data, secondary data generally provides a source of data that is both permanent and available in a form that may be checked relatively easily by others. Published documents gives researcher extra information on the research problem. Some of the information may not be found during the field study such as industry economics etc.

IV. Limitations

Sometimes the erroneous method may bring some error such as sampling error. Research is based on findings from some members of population, which make it susceptible to sampling error. The respondents selected may not be true representative of population under survey, or the findings may be influenced by researcher bias in drawing inferences and at times respondents may not be frank in expressing their views and opinions. Any research method does have some limitations, so is the case of quantitative research. Here



large samples are required, and the logistical difficulties inherent in gathering a sufficiently large sample. Larger samples also tend to be more expensive. Quantitative research, by virtue of its short (usually 20 minute) interviews and rigid structure, is not the most flexible method of research and, when handled improperly, is especially vulnerable to statistical error

V. Analyses

SEC A₁ Analysis

The researchers' ambition is to empirically test the store selection criteria for across socio-economic classes. In this endeavor, researchers have extended study by including different SEC in the light of framework followed by specific class to select their preferred store.

To derive the value and sense, the researcher has administered the regression on all components to understand relative weight assigned by consumer on various components of availability. Here all the variables having value less than 0.05 have not been taken into account.

Table 1: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|--------------------|----------|----------------------|----------------------------|
| 1 | 0.296 ^a | 0.087 | 0.070 | 2.01025 |

Here R is equal to 0.087 i.e. the total regression equation is able to explain 8.7% of the variance i.e. consumer behavior.

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Table 2: ANOVAb

| | Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|------------|----------------|-----|-------------|-------|-------------------|
| | Regression | 229.705 | 11 | 20.882 | 5.167 | .000 ^a |
| 1 | Residual | 2400.422 | 594 | 4.041 | | |
| | Total | 2630.127 | 605 | | | |

Coefficients^a

| | Model | | andardized efficients | Standardized Coefficients | T | Sig. |
|---|------------------|--------|--------------------------|------------------------------|--------|-------|
| | | | Std. Error | Beta | | |
| 1 | (Constant) | 7.004 | 0.638 | | 10.976 | 0.000 |
| | In-store Sales | -0.099 | 0.088 | - 0.052 | -1.127 | 0.260 |
| | In-store advt | 0.015 | 0.085 | 0.008 | 0.176 | 0.861 |
| | Ambience | 0.119 | 0.079 | 0.063 | 1.499 | 0.135 |
| | Proximity | 0.179 | 0.086 | 0.089 | 2.085 | 0.038 |
| | Credit | 0.046 | 0.068 | 0.029 | .681 | 0.496 |
| | Phone_order | 0.017 | 0.075 | 0.011 | .223 | 0.824 |
| | Web_Order | -0.032 | 0.078 | -0.020 | -0.406 | 0.685 |
| | Packs_convenient | 0.111 | 0.085 | 0.058 | 1.314 | 0.189 |
| | Brand_Familier | 0.316 | 0.096 | 0.142 | 3.280 | 0.001 |



| Importance_Outlet | 0.123 | 0.079 | 0.064 | 1.564 | 0.118 |
|-------------------------|-------|-------|-------|-------|-------|
| Quality_Branded_Ou tlet | 0.312 | 0.089 | 0.144 | 3.519 | 0.000 |

a. Dependent Variable: PDtot

Predictors: (Constant), Quality_Branded_Outlet, Ambience, Credit, In-store advt, Importance_Outlet, Brand_Familier, Proximity, Phone_order, Packs_convenient, In-store Sales, Web_Order

b. Dependent Variable: PDtot

Here, as the p-value is less than 0.05, hence we can say that all the variables have significant impact, i.e. the components of store choice have significant impact on store choice process. However, considering model summary and value of R² indicates that all the independent variables will be able to influence dependent variable by 8.7%.

From the coefficient table the conclusion is that in case SEC A_1 , only two variables are relatively significant since their significance value is 0.001 & 0.000 and β -values are 0.316 & 0.312 respectively, which states that, these two variables together are able to explain significance at 62.8%, and they are as follows:

- 1. Availability of familiar brand
- 2. Quality of branded outlet i.e, comparison between branded outlet viz.-a-viz. Kirana shop.

This provides the framework that, in case of SEC A_1 , population will patronize the store, which is able to offer familiar brands and their concern towards quality of outlet (i.e. comparison between branded outlet & kirana shop), which is primarily understood as branded outlet.

In order to establish relative strength of relationship the value of coefficients and constant can be placed in the formula mentioned below:

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PI = C + x * ability to provide familiar brand + y * Quality branded of outlet $Patronize\ Intention = 7.004 + 0.316* \ ability \ to \ provide\ familiar\ brand + 0.312* \ Quality$ $of\ branded\ outlet.$

From the aforementioned formula it can be safely concluded that for SEC A1 in FMCG category, ability to provide familiar brand (β - value 0.316) is defining component as an expansion of defining patronization behavior in personal care category, this can further be defined as FMCG being low involvement product, store's ability to provide familiar brand the product should be major construct of store choice model.

Interestingly, with coefficient matrix, it can be concluded that, other components such as ambience (β - value 0.119), in stores sales support (β - value 0.099), in store advertising (β - value 0.-0.015), proximity (β - value 0.179), Credit facility (β - value 0.0.046), phone order (β - value 0.17), web order (β - value -0.32), Convenient packaging (β - value 0.111), importance of outlet (β - value 0.123) are not significant enough to explain consumer's store choice behavior.

SEC A₂ Analysis

Interestingly, comparing with SEC A1 store choice behaviour SEC A_2 has demonstrated a different preference criteria in selecting store as their preferred destination.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|--------------------|----------|----------------------|----------------------------|
| 1 | 0.328 ^a | 0.108 | 0.072 | 1.93712 |



Here R is equal to 0.108 i.e. the total regression equation is able to explain 10.8% of the variance i.e. consumer behavior.

ANOVA^b

| | Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|------------|----------------|-----|-------------|-------|-------------------|
| | Regression | 123.478 | 11 | 11.225 | 2.991 | .001 ^a |
| 1 | Residual | 1024.416 | 273 | 3.752 | | |
| | Total | 1147.895 | 284 | | | |

a. Predictors: (Constant), Quality_Branded_Outlet, In-store advt, Ambience, Credit, Proximity, Importance_Outlet, Brand_Familier, Web_Order, Packs_convenient, In-store Sales,

 $Phone_order$

b. Dependent Variable: PDtot

Here as the p-value is less than 0.05, hence we can say that all the variables have significant impact, i.e. the components of store choice have significant impact on store choice process. However, considering model summary and value of R2 indicates that all the independent variables will be able to influence dependent variable by 10.8%.

| | Coefficients ^a | | | | | | | | |
|---|---------------------------|--------|--|--------|-------|-------|--|--|--|
| | Model | | Un-standardized Stand Coefficients Coefficients | | t | Sig. | | | |
| | | В | Std. Error | Beta | | | | | |
| 1 | (Constant) | 7.388 | 0.913 | | 8.091 | 0.000 | | | |
| | In-store Sales | 0.138 | 0.129 | 0.075 | 1.076 | 0.283 | | | |
| | In-store advt | -0.201 | 0.134 | -0.108 | 1.498 | 0.135 | | | |
| | Ambience | 0.111 | 0.109 | 0.062 | 1.022 | 0.307 | | | |
| | Proximity | 0.156 | 0.121 | 0.080 | 1.287 | 0.199 | | | |



| Credit | 0.046 | 0.097 | 0.029 | 0.478 | 0.633 |
|------------------------|--------|-------|--------|-------|-------|
| Phone_order | 0.177 | 0.112 | 0.113 | 1.586 | 0.114 |
| Web_Order | -0.025 | 0.107 | -0.016 | 0.229 | 0.819 |
| Packs_convenient | 0.219 | 0.125 | 0.115 | 1.751 | 0.081 |
| Brand_Familier | 0.205 | 0.137 | 0.096 | 1.496 | 0.136 |
| Importance_Outlet | 0.055 | 0.111 | 0.030 | 0.497 | 0.620 |
| Quality_Branded_Outlet | 0.191 | 0.125 | 0.092 | 1.528 | 0.128 |

a. Dependent Variable: PDtot

Analysis of coefficient matrix demonstrates relatively different picture in case of **SEC** A_2 , here for the population, none of the components are significant viz.a-viz. SEC A_1 , where at least two components of the matrix were important. The regression table suggests in case of absence of all the other variables, consumer will still buy from any outlet with probability of 73.8% in case of routine personal care category purchase.

SEC A₃ Analysis

| Model Summary ^b | | | | | | | |
|----------------------------|--------------------|----------|----------------------|----------------------------|--|--|--|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | | |
| 1 | 0.312 ^a | 0.097 | 0.045 | 2.31742 | | | |

In the regression model summary, the R-value is .097, which essentially determines that the significance of components is 9.7% in explaining the consumer store choice behaviour with the help of this model.



| Δ | N | n | V | Δ | b |
|------------|---|----|---|---------------|---|
| / ■ | | ι, | • | $\overline{}$ | |

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|-----|-------------|-------|-------------------|
| 1 Regression | 90.261 | 9 | 10.029 | 1.867 | .061 ^a |
| Residual | 837.787 | 156 | 5.370 | | |
| Total | 928.048 | 165 | | | |

a. Predictors: (Constant), Quality_Branded_Outlet, Ambience, Credit, Packs_convenient, Importance_Outlet, Phone_order, Brand_Familier, Proximity, Web_Order

Here as the p-value is less than 0.10 at 10% confidence level (since sample size of SEC A_3 was on the lower side, that's why the confidence level has been increased to 10%), hence we can say that the all the variables have significant impact, i.e. the components of store choice have significant impact on store choice process. However, considering model summary and value of R^2 indicates that all the independent variables will be able to influence dependent variable by 9.7%.

| | Coefficients ^a | | | | | | | | | |
|-------|---------------------------|--------|------------------------|------------------------------|--------|-------|--|--|--|--|
| | | | ndardized fficients | Standardized Coefficients | | | | | | |
| Model | | В | Std. Error | Beta | t | Sig. | | | | |
| 1 | (Constant) | 6.787 | 1.289 | | 5.267 | 0.000 | | | | |
| | Ambience | 0.234 | 0.167 | 0.114 | 1.401 | 0.163 | | | | |
| | Proximity | 0.264 | 0.196 | 0.118 | 1.347 | 0.180 | | | | |
| | Credit | 0.062 | 0.145 | 0.035 | 0.429 | 0.668 | | | | |
| | Phone_order | -0.198 | 0.152 | -0.117 | -1.305 | 0.194 | | | | |



b. Dependent Variable: PDtot

| | Web_Order | 0.095 | 0.178 | 0.051 | .532 | 0.596 |
|--|-------------------------|--------|-------|--------|--------|-------|
| | Packs_convenient | -0.180 | 0.173 | -0.088 | -1.036 | 0.302 |
| | Brand_Familier | 0.445 | 0.210 | 0.181 | 2.123 | 0.035 |
| | Importance_Outlet | 0.190 | 0.168 | 0.091 | 1.133 | 0.259 |
| | Quality_Branded_Outl et | 0.199 | 0.200 | 0.082 | 0.997 | 0.320 |

a. Dependent Variable: PDtot

From the coefficient table the conclusion is that in case SEC A3, only one variables are relatively significant since their significance value is .035 and β -values is .445, which states that, this variable is able to explain significance at 44.5%, and is as follows:

1. Availability of familiar brand

This provides the framework that, in case of SEC A₃, population will patronize the store, which is able to offer familiar brands, however it does not objectively remove the possibility of true recognition of an established brand. In order to establish relative strength of relationship the value of coefficients and constant can be placed in the formula mentioned below:

PI = C + x * ability to provide familiar brand

Patronize Intention = 6.787 + 0.445* ability to provide familiar brand

From the aforementioned formula it can be safely concluded that for SEC A_1 in FMCG category, *ability to provide familiar brand* (β - value 0.445) is defining component as an expansion of defining patronization behavior in personal care category, this can further



be defined as FMCG being low involvement product, store's *ability to provide familiar* brand the product should be major construct of store choice model.

VI. Conclusion

Based on the analysis done in previous part pertaining to store choice behaviour for various socio-economic classes while purchasing an absolute routine personal care category products such as shampoo, paste and deodorant, regression analysis is able to synthesize the components and suggests, that SEC A_1 will prefer to patronize store with an ability to provide familiar brands and secondly, reputation of outlet as they perceive and assign greater importance to branded outlet and associate quality with reputation of the outlet.

SEC A_2 does not assign any significance to any variables such as proximity, credit facility, packaging, phone/web order etc., which essentially explains in low involvement routine purchase category, no components considered by researchers will be able to explain the consumer behaviour, however, it is interesting to find that SEC A_3 exhibits inclination towards stores, which are able to offer products whose brands are familiar to the represented population, however, this model is limited to mitigate unsought familiarity with spurious brands/products.

VII. Suggestions

 SEC A₁ classified population exhibit brand conscious behavior not only in terms of brand but also in terms of product, but also brand in terms of outlet, therefore, researcher suggests that firms may undertake study to find the concentration of SEC A₁ population in the catchment area, if found present, they can be served with branded assortment or in the outlet itself one can have separate section itself.

SMS

2. SEC A₂ does not indicate inclination to any of the component defining store choice decision process.

3. This provides the framework that, in case of SEC A₃, population will patronize the store, which is able to offer familiar brands, however it does not objectively remove the possibility of true recognition of an established brand.

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